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# ADMINISTRATION & SOCIETY

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The Reagan administration's domestic budget cuts have imposed severe fiscal stress upon local-government and nonprofit agencies. The responses to this stress by organizations in northwest Ohio are analyzed in this study. Compared to local-government agencies, the federal fiscal changes had the greater impact upon nonprofit agencies, which searched more actively for alternative funding sources, varied internal process more dramatically, made programs more readily, and cast about for more effective management techniques.

## *THE IMPACT OF FEDERALLY IMPOSED STRESS UPON LOCAL-GOVERNMENT AND NONPROFIT ORGANIZATIONS*

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**Paul Appleby's classic statement** that "government is different" (1945: 10) created a long-running debate among scholars trying to ascertain what difference it makes for administration if production and delivery of goods and services are undertaken by government versus the private sector. Appleby argued that government is different because of its breadth of scope, its public accountability, and its political character (pp. 6-8), but this characterization provides precious little guidance about what to expect in the actual production and delivery of goods and services.

Howard E. McCurdy (1978) takes Appleby to task for generalizing public-private differences from his personal governmental experience in the politically charged U.S. Department of Agriculture of the 1930s, when field officials met with local committees of farmers to determine policy, for instance, acreage allotments. Consequently, such programs were "administratively politicized at both top and bottom" (pp. 575-576).

That the similarities are greater than the differences is a theme echoed in numerous entries in the literature. Michael A. Murray (1975) argues

that "management can be viewed as a generic process, with universal implications and applications in any institutional setting, whether a private firm or a public agency" (p. 346). Even the goldfish-bowl atmosphere is no longer unique to government. In the past quarter century,

[every] organization is politicized, including the private firm. . . . The line between public and private has blurred, and today the businessman faces as much public as the public official [p. 367].

Not all agree with Murray's assertion of an "increasing convergence in management processes in the public and private sector" (p. 367). As Graham Allison (1983) observes:

Failure to recognize the fact of distributions has led some observers [like Murray] to leap from one instance of similarity between public and private to general propositions about similarities between public and private institutions of management [p. 18].

President Reagan joined the debate with the view that the private sector distinguishes itself from the public sector by its greater efficiency, one expression of which is found in his FY 1987 budget:

Private firms are forced by the pressures of competition to be efficient and responsive to consumer demands, or they will not succeed in the long run. The incentives to control costs are stronger in the private sector, no matter how much we try to improve the management of the public sector, because Government managers do not have the discipline of the market place. . . .

This year's budget proposes to return some of these activities to the private sector [Office of Management and Budget, 1986: 3-11 to 3-12].

While raising "expectations that the private sector would fill the gap created by government budget cuts" (*Wall Street Journal*, June 22, 1982), the Reagan administration sought to privatize many government responsibilities and to shrink all levels of domestic government.

In addition to the presidential challenge to assume government responsibilities, the nonprofit sector faces the same federally induced fiscal stress as do agencies in the local-government sector. Nonprofit organizations and local governments—especially those providing services to low-income individuals and families—have borne the brunt of the Reagan administration's fiscal retrenchment (Palmer and Sawhill, 1984; Meyer, 1984; Smeeding, 1984).



With both public (local government) and private (nonprofit) organizations facing the same federally induced fiscal stress, we can compare the responses of the two types of organizations and test propositions about public versus private organizations, recognizing that nonprofit organizations occupy a middle ground between governmental organizations and private, for-profit enterprises.

## THEORETICAL FRAMEWORK

Environments of all organizations are viewed as resource pools (McKelvey and Aldrich, 1983: 111). Until the late 1970s, the environments of nonprofits and local governments shared an increasing dependence upon the federal government. They now share a fiscal stress induced since 1981 by the federal government's retrenchment. Within the same community, they also share a political, social, and cultural milieu. Their environments, however, are fundamentally different in certain ways: The local-government organizations' direct access to local tax revenues, accountability to elected representatives, and subjection to laws and rules governing their internal processes, activities, and services clearly distinguish them from nonprofits.

Recognizing Wilson's (1973: 10) maxim that "whatever else organizations seek, they seek to survive," the concern is greater for nonprofits because of their dependence upon the munificence of charitable giving, the grant process, fee structures (for services that normally do not clear the marketplace without subsidization), and other noncompulsory revenue sources. In fact, linked with the greater autonomy and flexibility of their private status, an inherent instability of private, nonprofit organizations flows from the noncompulsory nature of their support, an argument well developed in the public-choice literature (Olson, 1971). Theorists point to the economic irrationality of contributing to an organization or cause in which one stands to benefit equally in the absence of the contribution. On the other hand, nonprofits derive flexibility to survive from the very absence of accountability to elected officials and from the existence of fewer legal strictures on their internal processes, activities, or services produced.

With the greater concern over survival in nonprofits, we expect the behavior of leaders to be "principally, though not uniquely, determined by the requirements of organizational maintenance and enhancement" (Wilson, 1973: 13). In a time of stress, leaders will compromise or change

the purposes of their nonprofit organizations in order to develop new sources of support. The unabashed willingness of nonprofit agencies to compromise their independent, private status by aggressively seeking governmental monies—a practice of long standing (Nielsen, 1979: 25-48)—attests to the organizational precariousness of depending upon charitable giving and volunteer services. Despite the American mythology about the importance of philanthropic activity, the economic rationality of freeloading is so persuasive that these organizations have been forced to turn increasingly to the government treasury for substantial portions of their revenue.

Even though both nonprofits and local-government agencies faced the same threat of major revenue losses, we should not expect the two populations of organizations to behave in the same way. In an important theoretical work on organizations, McKelvey and Aldrich (1983) note that

the resources of environments are located adjacent to survival paths. Organizations in a population approach the path as they evolve toward an effective form [p. 115].

We expect far greater variation from nonprofits as they respond to the sharper threats to their survival. Nonprofits are likely to engage in a far more extensive search for new revenues, and to experiment more with management techniques in order to achieve efficiencies.

We test these hypotheses by surveying administrators of governmental and private nonprofit agencies in northwest Ohio—an area with a population of over 700,000. The area is anchored by Toledo, with a population of 354,000 and an economy rooted in the glass and automobile industries. While we are aware of the difficulties of generalizing to the larger population on the basis of a case study of a single geographic area, case studies are useful in challenging, clarifying, or supporting theories and conventional wisdom.

## METHODOLOGY

One major source of data for this study is a questionnaire that was mailed to all persons identified as department heads in state, county, city, village, township, and special district government agencies, and to heads of all nonprofit agencies (and department heads in the larger ones) in

Fulton, Henry, Lucas (Toledo), Ottawa, and Wood counties in northwest Ohio.<sup>2</sup>

Nearly all nonprofit organizations in our universe deliver human services, whereas local-government agencies cover the gamut. Generic administration theorists well may argue that the local-government/nonprofit distinction has less explanatory power than a human-services/other-services distinction. Indeed, they would expect differences between nonprofit organizations and local-government agencies to be spurious because of the effects of police, fire, public works, and utilities, which are present in local-government organizations but are usually absent in nonprofit organizations. Accordingly, we have separated local-government respondents into human services and other services. Given this control, we can generalize about the impact of the public/nonprofit distinction.

In all, 572 questionnaires were sent out in the first mailing in late August 1984. With two follow-ups spaced at approximately three-week intervals, we received a total of 248 usable responses. Including all responses, and adjusting the base for individuals who could not participate because of agency decisions to return only one "agency" response, yields a 50.7% response rate. This is a good response rate for such a heterogeneous group.

For the cross tabulations shown in the tables, we performed chi-square tests of significance and we indicate those that are significant at the .05 and .01 levels. In the analysis, we give more attention to the differences in percentages of responses to the various items among the categories of respondents than we do to the chi-squares because we sent questionnaires to the entire population of local-government and private, nonprofit agencies in the area. In addition, we base the analysis in this article upon a subset of the respondents (eliminating, for example, federal and state agencies in the area), which leaves an average *N* in the tables of about 150. This size of *N* requires substantial differences to achieve statistical significance.

## DATA ANALYSIS

### IMPACTS OF FEDERAL BUDGET CUTS

The Reagan administration was successful in reducing federal funds for programs affecting governmental and private, nonprofit agencies

(Salamon, 1984; Salamon and Abramson, 1982; Musselwhite et al., 1985). Only health programs were spared the budget-cutting ax (Palmer and Sawhill, 1984; Elling, 1985; Musselwhite et al., 1985). Because federal support to private, nonreligious, nonprofit organizations reached \$40 billion, nearly twice the amount these organizations received from charitable giving (Salamon, 1984: 266-267), we expected that cuts in federal funds would pose greater problems for these agencies than for governmental agencies.

Metropolitan Toledo was particularly hard-hit by the national recession of 1981-1982 and continues to suffer from a high unemployment rate. Consequently, large numbers of local administrators say that the recession was worse for their agencies than were the Reagan budget cuts. Local-government human-services administrators (68.5%) display greater agreement with this statement than do nonprofit administrators (50.0%). Considerable agreement with the statement by local-government administrators is consistent with studies showing that local governments have been more careful than is commonly thought "to avoid becoming dependent on federal aid" (Nathan et al., 1983: 203). For the nonprofit organizations, the federal cutbacks were a greater problem.<sup>3</sup>

Just as the nonprofit administrators, much more than the government administrators, view the budget cuts rather than the recession as the cause of their financial woes, they also are much more likely to say that their agencies have been hurt indirectly by the budget cuts. Among the nonprofit administrators, 65.0% assert this indirect effect, compared to 41.2% of the local-government human-services administrators, a difference that is statistically significant.

#### STABILITY OF FUNDING ARRANGEMENTS

During normal times in a community, relatively stable funding patterns develop. Agencies come to rely on certain funding sources, and in the process become identified with them. With this identification comes a tacit agreement with other agencies not to encroach upon them. This occurs in numerous ways. General-fund agencies in a municipality became entitled to their share of the general-fund budget; special funds, by custom as much as by law, are devoted to certain activities, a dedication that is generally respected by other agencies; United Way allocations, in percentage terms, vary little among the numerous funded agencies from one year to another; agencies entitled to seek property-tax levies, renew-

TABLE 1  
Administrators' Perceptions About Funding and the Economy

| Items on Funding<br>and the Economy                                                                                                                                | Non-<br>Profit | <u>Agree</u>       |       | Non-<br>Profit | <u>Disagree</u>    |       | Non-<br>Profit | <u>N</u>           |       | Signif-<br>icance |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------------|-------|----------------|--------------------|-------|----------------|--------------------|-------|-------------------|
|                                                                                                                                                                    |                | <u>Local Gov't</u> |       |                | <u>Local Gov't</u> |       |                | <u>Local Gov't</u> |       |                   |
|                                                                                                                                                                    |                | Human<br>Service   | Other |                | Human<br>Service   | Other |                | Human<br>Service   | Other |                   |
| The recession of 1981-82 created more serious fiscal effects for my agency than did the Reagan administration budget cuts.                                         | 50.0           | 68.5               | 62.9  | 50.0           | 31.6               | 37.1  | 56             | 38                 | 89    |                   |
| Since 1981, federal cuts in other programs have indirectly reduced the ability of this agency to serve its clientele.                                              | 65.0           | 41.2               | 40.0  | 35.0           | 58.8               | 60.0  | 60             | 34                 | 75    | **                |
| Before 1981, other agencies encroached upon our funding sources.                                                                                                   | 47.9           | 50.0               | 45.3  | 52.1           | 50.0               | 54.7  | 48             | 30                 | 53    |                   |
| Since 1981, other agencies have encroached upon our funding source.                                                                                                | 72.0           | 56.7               | 33.9  | 28.0           | 43.3               | 66.1  | 50             | 30                 | 56    | **                |
| Under the Reagan administration's New Federalism, our federal funding (even if channeled through the state) is more predictable than under the system before 1981. | 20.5           | 50.0               | 58.7  | 79.5           | 50.0               | 41.3  | 39             | 36                 | 75    | **                |
| Since 1981, it has become more difficult to find funding for my agency.                                                                                            | 69.5           | 55.3               | 62.3  | 30.5           | 44.7               | 37.7  | 59             | 38                 | 69    |                   |
| Since 1981, we made financial cuts in agency programs. <sup>1</sup>                                                                                                | 49.3           | 40.5               | 34.3  | 50.7           | 59.5               | 65.7  | 67             | 42                 | 102   |                   |

NOTE: Sums may not equal 100% because of rounding error.

1. The exact wording of the question from another portion of the questionnaire: "Have you had to make financial cuts in any of your programs since 1982?" "Yes" is reported as agree, and "no" as disagree.

\* significant at .05; \*\* significant at .01

als, or increases often defer to other agencies in terms of timing in patterns that are relatively stable. Changes are usually incremental from year to year.

During a period of major funding reductions in one source (the federal government) and a recession that reduced other sources (particularly municipal ones), respect for stable funding arrangements will evaporate. Agencies that suffer funding cuts will aggressively encroach upon the funding sources of other agencies. In the process, we expect to find increases in interagency tension, in uncertainty in funding source, and in difficulty in finding funds.

We asked respondents about encroachments upon their funding sources before and after 1981. As expected in Table 1, nonprofit and governmental administrators display similar levels of agreement with the pre-1981 statement (47.9% for nonprofits compared to 50.0% and 45.3%, respectively, for human-services and other governmental administrators). After 1981, the picture changes dramatically. The percentage of other governmental administrators who report encroachments by other agencies declines; the human-services administrators so reporting increases only slightly; but the percentage of nonprofit administrators who report encroachments increases dramatically (from 47.9% agreement to 72.0%).

Further evidence of the great uncertainty in funding experienced by the nonprofit administrators comes from responses about the predictability of federal funding. The Reagan administration suggested that federal funding, although decreased, would be more predictable under the New Federalism, a point that was to appeal to local agencies. In fact, more than half of the governmental administrators responded that, under the Reagan administration's New Federalism, federal funding is more predictable. In sharp contrast, only 20.5% of the nonprofit administrators feel that federal funding is more predictable; 79.5% disagree.

Well over half of all the administrators from Table 1 complain of the increased difficulty of funding their agencies since 1981, but the complaint is voiced with greater frequency by nonprofit administrators (69.5%) than by governmental human-services administrators (55.3%). Moreover, half of the nonprofit respondents (49.3%) indicate that they have had to make financial cuts in programs since 1981, compared to 40.5% of the local-government human-services administrators.

Survival is a powerful drive in the organizational psyche. Agencies under severe financial pressure can be expected to commit more of their

resources to generating funds, even at the expense of existing programs. We would expect a larger proportion of nonprofit than of government administrators to increase their efforts to solicit funds from private sources. As seen in Table 2, the difference between nonprofit and governmental administrators is dramatic and statistically significant—73.7% of the nonprofit administrators report an increase in such efforts, compared to 40.7% of the local-government human-services administrators. Other local-government administrators probably have fewer opportunities to solicit funds from private sources and only 23.5% of them report an increase in such efforts.<sup>4</sup> In the preparation of grant proposals, nonprofit administrators display a much sharper increase (61.8%) than do governmental administrators (35.1% and 32.3%, respectively, for human-services and other administrators).

Responses to the item on fees and charges show nonprofit agencies (55.6%) are most likely and governmental human-services agencies (41.2%) least likely to increase them. Other local-government agencies fall in the middle on this item. Increased use of fees and charges can force fundamental changes in the clientele of agencies. Clients without money or insurance are replaced by more affluent or insured clients. One nonprofit agency, which has operated a Head Start program for many years, has taken that expertise to the marketplace. It now runs "employer day-care" programs for the children of employees by contracting with the employer to provide the program at the employer's site.

Also, from Table 2, a larger proportion of the nonprofit administrators (70.5%) than of the local-government human-services administrators (50.0) report that they have increased the time spent on budget planning. We infer that the nonprofit agencies have let some programmatic activities slide as they focus more time, energy, and resources on their quest for funds.

We examined changes in various possible funding sources. Because most were not relevant to governmental agencies, few government responses appear on Table 2 for items like United Way and special fundraising events. We will note from Table 2 that the United Way was a disappointment for many nonprofit agencies. More of them reported decreases in the United Way funding (45.2%) than reported increases (32.3%). This is due, not to an overall decrease in United Way funds in the area, but rather to a need to share a slightly increasing amount of United Way money with a rapidly expanding group of claimants, includ-

TABLE 2  
Perceptions About Changes in Agency Bu

| Items on Agency Budgeting                           | Non-Profit | <u>Increase</u>    |              | Non-Profit | <u>No Change</u>   |              | Non-Profit | <u>Decrease</u> |
|-----------------------------------------------------|------------|--------------------|--------------|------------|--------------------|--------------|------------|-----------------|
|                                                     |            | <u>Local Gov't</u> | <u>Other</u> |            | <u>Local Gov't</u> | <u>Other</u> |            |                 |
| Soliciting funds from private sources               | 73.7       | 40.7               | 23.5         | 22.8       | 48.1               | 74.5         | 3.5        | 11.1            |
| Preparing grant proposals                           | 61.8       | 35.1               | 32.3         | 34.5       | 45.9               | 50.0         | 3.6        | 18.9            |
| Using fees and charges to finance agency operations | 55.6       | 41.2               | 48.6         | 44.4       | 52.9               | 48.6         | -          | 5.9             |
| Time spent on budget planning                       | 70.5       | 50.0               | 63.7         | 27.9       | 47.4               | 33.2         | 1.6        | 2.6             |
| United Way funding                                  | 32.3       | 33.3               | 12.5         | 22.6       | 44.4               | 50.0         | 45.2       | 22.2            |
| Agency charges or fees                              | 53.1       | 27.8               | 31.3         | 34.4       | 38.9               | 43.8         | 12.5       | 33.3            |
| Total funding                                       | 26.4       | 20.0               | 15.5         | 37.7       | 36.7               | 46.6         | 35.8       | 43.3            |

\* significant at .05; \*\* significant at .01



ing some government entities. Also note that nonprofit respondents were much more likely to report increases than decreases in the use of agency fees and charges.

In terms of total funding changes, there are no major differences distinguishing nonprofit from governmental agencies. For both sets of agencies, more respondents reported decreases in total funding than increases. Nevertheless, in this difficult period of recession and federal cutbacks, more than half of the respondents in each category reported either an increase or no change in total funding.

Compared to local government, it appears to us that the financial world of the nonprofits has become more problematic. Facing the threat of greater financial losses from the Reagan administration, as well as retrenchment at the local level, more nonprofit administrators had more of a need to move their agencies to new survival paths than did local-governmental administrators. Nonprofit administrators displayed more money-seeking activity than did their government counterparts and, to a statistically significant degree, they complained more than their government counterparts about other agencies encroaching upon their funding sources since 1981. From this, we infer that nonprofit administrators expended more time guarding and protecting their funding sources from interloping agencies as they in turn encroached upon other funding sources. More nonprofit than governmental respondents reported financial cuts in particular agency programs, which probably means that nonprofit agencies were forced more often to drop or reduce one program and start a new one in order to obtain new monies. In sum, it appears that the nonprofit administrators had to commit more of their resources to agency survival than did governmental administrators. This commitment to survival was more likely in nonprofit than in governmental agencies to overshadow the commitment to extant programs. As one nonprofit administrator explained:

Society has changed and so have we in order to survive. The only way we could continue to offer any service at all to our initial clientele was to survive. We do a lot of other things so that we can still serve the poor.

Local-government agencies, on the whole, probably need worry less about survival than do the nonprofits. They make their program decisions to terminate, adapt, or expand upon grounds other than sheer survival. Moreover, local-government officials are bound by more legal constraints against cutting or terminating programs, even if the programs have fallen out of favor with funding sources.

## MANAGEMENT CHANGES

By word and deed, President Reagan encouraged management changes in governmental agencies to reduce waste, fraud, and abuse. In his fiscal year 1986 budget he extolled the "tough but necessary steps [that] are being taken throughout the federal government to reduce the costs of management and administration," and he stressed the need for additional management improvements and administrative reforms (Office of Management and Budget, 1985: M8).

Numerous respondents wrote that dramatic management steps had to be taken in their agencies because, financially, there was no other way to remain viable. Of course, management initiatives to reduce costs, waste, and inefficiency can reduce service levels, quality, and morale. In this section, we examine the management efforts of nonprofit and governmental administrators in the context of the New Federalism and assess the results.

Table 3 presents information on management changes in the agencies. A large proportion of administrators in all sets of agencies claim to have increased their use of various management techniques. Although the differences never reach the .05 level of statistical significance, for all categories except for citizen input the nonprofits show a greater penchant to increase the use of the management techniques. (Not knowing the level of initial use of the various techniques, we are not saying that nonprofits are now making greater use of the various techniques.) Most striking is the difference in the increase in long-range planning, where 71.4% of the nonprofits, compared to 52.5% of the local-government human-services agencies and 47.6% of the other local-government agencies, show an increased use. (With a chi-square of .058, this difference just misses meeting our level of statistical significance.) For all the techniques, very small percentages of administrators in both sets of agencies admit to decreased use.

The greater increase in the use of management techniques by the nonprofits is consistent with our thesis that their organizational integrity was under greater threat than was that of governmental organizations. They were forced to take stronger measures, including management ones, to remain organizationally viable.

We have three items labeled management results in Table 3. With the substantial increases in the use of management techniques claimed by administrators, it is expected that they also will claim positive results from their management efforts. They do. For staff productivity, 78.7% of the nonprofit administrators and 47.2% and 53.7%, respectively, for the

**TABLE 3**  
**Percentage of Administrators Reporting Changes Since 1981**

| Management Technique                              | <u>Increase</u> |                                 |       | <u>No Change</u> |                                 |       | <u>Decrease</u> |                                 |       | <u>N</u>       |                                 |       | Signif-<br>icance |
|---------------------------------------------------|-----------------|---------------------------------|-------|------------------|---------------------------------|-------|-----------------|---------------------------------|-------|----------------|---------------------------------|-------|-------------------|
|                                                   | Non-<br>Profit  | Local Gov't<br>Human<br>Service | Other | Non-<br>Profit   | Local Gov't<br>Human<br>Service | Other | Non-<br>Profit  | Local Gov't<br>Human<br>Service | Other | Non-<br>Profit | Local Gov't<br>Human<br>Service | Other |                   |
| Hours of in-service staff training                | 44.1            | 41.7                            | 34.6  | 49.2             | 55.6                            | 61.5  | 6.8             | 2.8                             | 3.8   | 59             | 36                              | 78    |                   |
| Doing long-range planning                         | 71.4            | 52.5                            | 47.6  | 27.0             | 45.0                            | 47.6  | 1.6             | 2.5                             | 4.9   | 63             | 40                              | 82    |                   |
| Using "management by objective" (MBO)             | 37.5            | 35.5                            | 31.7  | 60.7             | 64.5                            | 65.0  | 1.8             | --                              | 3.3   | 56             | 31                              | 60    |                   |
| Program Evaluation                                | 52.6            | 45.9                            | 37.0  | 45.6             | 51.4                            | 57.5  | 1.8             | 2.7                             | 5.5   | 57             | 37                              | 73    |                   |
| Using Statistical analyses to evaluate programs   | 46.3            | 41.7                            | 38.7  | 53.7             | 55.6                            | 58.1  | --              | 2.8                             | 3.2   | 54             | 36                              | 62    |                   |
| Amount of citizen input in agency decision making | 33.3            | 37.1                            | 34.1  | 64.9             | 40.0                            | 62.4  | 1.8             | 2.9                             | 3.5   | 57             | 35                              | 85    |                   |
| <u>Management Results</u>                         |                 |                                 |       |                  |                                 |       |                 |                                 |       |                |                                 |       |                   |
| Staff productivity                                | 78.7            | 47.2                            | 53.7  | 19.7             | 50.0                            | 38.9  | 1.6             | 2.8                             | 7.4   | 61             | 36                              | 95    | **                |
| Agency innovation in program development          | 69.4            | 34.3                            | 41.8  | 29.0             | 45.7                            | 51.9  | 1.6             | --                              | 6.3   | 62             | 35                              | 79    | *                 |
| Agency innovation in delivering service           | 68.9            | 32.2                            | 49.4  | 27.9             | 37.5                            | 45.5  | 3.3             | --                              | 5.2   | 61             | 37                              | 77    |                   |

\* significant at .05; \*\* significant at .01

human-services and other local-government administrators claim increases, a result statistically significant at the .01 level. Substantial numbers of administrators also claim increases in agency innovation, both in program development and in delivery of services. Again, the nonprofit administrators show higher proportions claiming increases than do the governmental administrators, reflecting the additional effort they have had to exert in order to survive the organizationally perilous times of the recession-plagued Reagan first term. We recognize the self-serving nature of the responses, but feel that the very substantial increases reported in the use of management techniques and the results reflect a great deal of effort to maintain the service and activity levels that justify continued existence, if not expansion, of nonprofit and governmental agencies in metropolitan Toledo. These organizations are casting about with changes in process, programs, and even clients in search of new survival paths.

## CONCLUSION

The environment for both local-government and nonprofit agencies has been changed by the New Federalism of the Reagan administration, but more dramatically so for the nonprofits. Viewing the environment as broad resource pools, the federal stream feeding the pool has been substantially rechanneled away from local governments and nonprofits. Local-government agencies do enjoy the secure flow of local tax dollars into their resource pool. Nonprofits are dependent upon less-reliable streams—namely, the vagaries of charitable giving, extracting fees from a poor clientele, and other noncompulsory funding sources. In fact, the nonprofits turned increasingly to the federal government during the past two decades precisely because of the precariousness and insufficiency of charitable giving. The federal fiscal retrenchment clearly threatened a worse drought for the nonprofits than for the local-government agencies because it drove them back to their traditional reliance upon charitable giving and volunteer services. Public-choice theorists argue that this puts the agencies in the awkward position of depending upon their benefactors to engage in economically irrational behavior.

Faced with the greater threat, the nonprofits searched for alternative funding sources, experimented with management techniques, and sought a fee-paying clientele—in order to preserve their original mission or to locate a new survival path—to a greater extent than did the local governmental agencies.<sup>5</sup> The struggle has not been easy. A few nonprofit

agencies ceased to exist and others have suffered financial setbacks. However, during this difficult period since 1981, nonprofit agencies have emerged in a financial condition that is better than expected. A slightly smaller percentage of nonprofit than governmental respondents complain of a decrease in total funding and a slightly larger percentage report an increase in total funding over this period. Staff productivity has increased for a significantly greater percentage of nonprofit than governmental agencies, according to respondents. Their employees apparently are working harder and more efficiently. This is the short run. The long run is more problematic. Consequently, the nonprofits show a greater disposition to return to a larger federal and state fiscal role in their operations than do local-government agencies, despite their generally greater criticism of both levels of government.

If the basic role of local government, however, is to provide essential services that do not clear the marketplace, then the results of this study should give pause to those who argue for greater assumption of local-government services by the private, nonprofit sector. The greater likelihood of nonprofits to make financial cuts in programs under the destabilizing conditions of recession and/or federal retrenchment is evidence that the nonprofits are less reliable to provide essential services. Their greater attention to organizational survival is indicated by their willingness to divert resources from programs to fund-raising when government money was reduced. Thus they are inherently unable to perform the function assigned to them by the Reagan philosophy, that is, filling the void when federal government funds are cut. To expect them to do so is based upon an erroneous ideological assumption that could have undesired consequences for the service receivers.<sup>6</sup> To the extent that the metropolitan Toledo experience is generalizable, considerable program instability in nonprofits results from the vicissitudes of funding-source whims. Decisions about governmental service should be based on more enduring factors.

## NOTES

1. Olson (1971) is probably too quick to qualify the applicability of his theory of collective action for philanthropic and religious organizations. Considering the enormous efforts such organizations have made to develop governmental sources of funding, the theory of collective action provides more insight than Olson modestly acknowledges (pp. 159-161).

2. Names and addresses came from two regularly updated sources: the Toledo Area Council of Governments' *Directory* and the First Call for Help's *Guide to Human Service*, a unit of the United Way of Lucas County. The former is particularly useful for governmental entities and the latter for nonprofits.

3. Of course, the 1981-1982 recession was the product of a cooperative fiscal and monetary policy of the Reagan administration and the Federal Reserve Board to reduce inflation, so we do not mean to disassociate the Reagan administration from the recession.

4. To some, it may appear unusual or even inappropriate for local-government agencies to turn to private sources for funding. However, observers of the urban scene will point to numerous governmental agencies that have developed program patrons, sponsors of activities, gift catalogs, and so forth. There may well be a question about the effectiveness of these private fund-raising endeavors, but the financially hard-pressed public agency often sees this as a reasonable alternative.

5. Nathan, Doolittle and associates (1983: 204) argue that the pain, hardship, and unhappiness were felt primarily among low-income individuals and families and the nonprofit organizations that provide services to low-income people—not at the level of governments. We are in agreement that the nonprofits initially suffered more pain from the federal changes than did governments, but we go a step further and argue that they took actions that, over the short run, greatly ameliorated much of the federally imposed stress.

6. As readers familiar with President Reagan's first National Urban Policy Report (U.S. Department of Housing and Urban Development, 1982) know, a public-choice theory provides the intellectual frame for its philosophy of privatization. E. S. Savas, then assistant secretary of housing and urban development, had responsibility for the exceedingly controversial first draft. His philosophy can be further explored in his own book (Savas, 1982). Some may consider it ironic that an administration that depended upon public-choice theory for the intellectual framing of its urban policy should find that its philosophy of reliance on the private, nonprofit sector should run counter to the public-choice conclusions about the behavior of nonprofit agencies.

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The public administration literature tends to depict Frederick Taylor as promulgating a "men-as-machines" approach to motivation. The literature contrasts Taylor and Mayo/Maslow, leading to analysis that dichotomizes engineering and psychological theories of motivation. This dichotomization seriously distorts the thrust of Taylor's work, which actually prefigures many human relations insights currently attributed to Elton Mayo or Abraham Maslow. The partialization of Taylor's work raises questions about the way the discipline passes on knowledge.

## *FREDERICK WINSLOW TAYLOR AND THE IDEA OF WORKER PARTICIPATION A Brief Against Easy Administrative Dichotomies*

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**This article shows** how Frederick Winslow Taylor's scientific management prefigures the idea of increased worker participation in decision making. The current management literature portrays Taylor as the ideal/typical authoritarian, one who views workers as appendages of their machines and equates their motivation solely with money. One recent public administration textbook describes Taylor's "mechanistic view of the workingman" (Lutrin and Settle, 1985: 31); a somewhat older one identifies his "man-as-machine conceptualization, replete with all its discomforting moral overtones" (Henry, 1975: 59).

Writers contrast Taylor with Mayo (1933) and other Hawthorne researchers, such as Roethlisberger and Dickson (1939), whom they describe as understanding that social climate influences motivation. (See,

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for example, Guerreiro Ramos, 1972.) They also contrast Taylor with Maslow (1954), who posits a hierarchy of five human needs—physical, security, social, esteem, and self-actualization. Compared to Maslow, Taylor seems too reductionistic and limited (Fry, 1976; Guerreiro Ramos, 1978).

The contrasts between Taylor and Mayo/Maslow dichotomizes engineering and psychological motivation approaches. The first does things to workers (as engineers do things to machines and materials). The second views workers as active beings who can participate in creating their own motivational environment. Political theorist Sheldon Wolin (1960) turns this bisection into a battle call:

The modern manager . . . must in defense of "human values" stand ready to resist the changes proposed by the "logicians" of industrial engineering [p. 409].

Proscribed are work measurement, pay-for-performance, and standardizing. Applauded are psychologically oriented attempts to make workplace participation, social relations, and communication more attractive.

Increasingly, however, public administrators find this engineering/psychology dichotomy untenable, as technological advances become means by which organizations simultaneously standardize and limit hierarchical control.<sup>1</sup> The time has come to review the utility of assigning motivation to human relations or engineering cubbyholes. One way to begin is by questioning the view our literature presents on Taylor and Mayo. Already, several reinterpretations of Mayo's Hawthorne work suggest that scientific management constructs influenced his success. Parsons (1978) argues that the productivity gains came from an increase in performance feedback that allowed workers to see the relationship between completing additional relays and earning pay-for-performance wage bonuses. Interviews with surviving Western Electric workers show that they think money influenced their increased output (Greenwood et al., 1983).

Now that we know that economic motivation played a role at Hawthorne, analysts should ask: Was Taylor really oblivious to social relations, or did his work measurement and standardization inevitably alter the psychological atmosphere of any organization he entered? Does Taylor's work show that the successful engineering logician has an innate concern with improving social climate, with increasing the role of worker suggestions and decreasing the role of blind obedience to unexplained managerial commands?

In 1976, Peter Drucker argued in a brief note that Taylor's motivational strategies provided the worker with an opportunity for full personality development. Since Taylor's factory experiments occurred before 1911, we can hardly interview participants and receive their reactions. Yet a careful review of his writings and those of his associates and contemporaries shows how Taylor's scientific management experiments altered the workplace's social relations. My review of Taylor's work indicates that, although Taylor used a different vocabulary than did Mayo or Maslow, his actions anticipated several of the socially oriented changes they recommend.<sup>2</sup>

This does not mean that Taylor always spoke about (or even to) workers with sensitivity or that he did not consider pay incentives useful. Modern writers who cubbyhole Taylor bolster their authoritarian portrait with accurate quotes. We all know that he obliquely referred to one worker, Schmidt, as possessing some of the characteristics of an ox (Taylor, 1947b: 59). However, such insensitivities represent a minuscule fraction of Taylor's output.<sup>3</sup> Side by side with the few authoritarian pronouncements are many paragraphs that anticipate human relations strategies often attributed to later authors.

This is not a matter of temporal growth. Comparison of Taylor's first management paper with contemporaneous presentations at the American Society for Mechanical Engineers show that he had a broader, more human-relations-oriented approach to motivation. Of four papers presented on pay-for-performance schemes (Partridge, 1887; Towne, 1888; Halsey, 1891; Taylor, 1895), his is the only one to mention (if in passing) the importance of noneconomic motivators such as a chance for promotion and good supervisor-employee relations. More significant, his is the only one to castigate managers—rather than only workers—for the motivation dilemma. He labels managers of his time indolent and indifferent and says that their practices will create a permanent antagonism between employers and workers.

This is hardly the talk of a man in thrall to hierarchies. Taylor gave his loyalty to ideas he thought likely to promote workplace harmony and efficiency. In service to these ideas, he was willing to battle managers along with their subordinates.

The current management literature presents a partialized view of Taylor's work. It ignores material that shows he gave project participants a sense of mission, increased two-way communication between supervisors and employees, and thought employee suggestions important to the success of new undertakings.

## TAYLOR AND A SENSE OF MISSION

Productivity increases at Hawthorne are often linked to workers belonging to a strong, informal group whose members believed they were engaged in significant activities. Subsequent advice to managers has been to give employees a sense of mission, to work at "transforming a neutral body of men into a committed polity" (Selznick, 1957: 90). The leader should assume the educator's role, explaining the character of the enterprise and gaining reasoned support as opposed to blind obedience. Productivity improves when workers think their efforts matter (Greenwood et al., 1983).

More than 30 years before Hawthorne, however, Taylor used such insights in assembling volunteers for his projects. Before he began job analysis at the New England Butt Company, he held open meetings. He explained the project's benefits for the workers and the organization. He described the type of information he wanted to collect and its usefulness. He gave workers a chance to ask questions and raise objections (Tarbell, 1915).

At the Bethlehem Steel Yard, volunteers in iron-loading experiments spent considerable time with Taylor's research assistant. This young college graduate catalogued their work tools, watched their labor, and timed their motions. He was probably the first college graduate with whom the workers had extensive on-the-job contact. His presence gave new social meaning to loading; it certified labor as worthy of academic study. The notion of iron-loading experiments broke down conceptual barriers between skilled and unskilled work. Contemporaries of Taylor who were active in Progressive politics (e.g., Brandeis, 1973: vii; Tarbell, 1914) argue that such experiments gave manual laborers a sense of self-respect in relation to their work and a sense of their own value.

Unfortunately, many managers who adopted Taylor's work measurement strategies failed to heed his (1947a) injunction that every other change takes place "after the men acquiesce in the new order of things" and managers have taken every opportunity "of explaining matters . . . patiently, one man at a time, and giving [workers] every chance to express their views" (p. 132). Aitken's (1960) account of Taylorism at Watertown Arsenal clearly shows differences in the way Taylor and such managers approached worker involvement.

In 1910, Taylor and his assistant, Carl Barth, systematized the arsenal's machine shop. They gathered the workers together and explained their plans; they described how and why they intended to time people's on-the-

job motions. Each machinist gave his consent to having a researcher use a stopwatch to record his motions; when one worker objected, he was not timed (Aitken, 1960: 111).

Subsequently, two arsenal officers tried to use some of Taylor's ideas to systematize the foundry, but they neglected to instill any sense of mission. They simply introduced researchers and stopwatches, offering no explanations to the molders. This approach led to worker protests and a widely publicized 10-day strike.

Creating a sense of mission was important for Taylor. He wanted to find the most efficient way of performing various tasks, but an early supporter notes that he believed a strategy ceases to be the one best way if the worker does not want to do it that way (Gilbreth, 1960).

## TAYLOR AND COMMUNICATION

Administrative scientists credit some of the Hawthorne productivity increases to more attractive and more frequent vertical communication. Taylor also understood the importance of two-way communication and anticipated the modern organization's emphasis on information exchange in his training and performance feedback efforts.

Contemporary management theory emphasizes the importance of training and feedback. Turn-of-the-century factories rarely trained blue-collar workers. Sink or swim prevailed. Harlow Person (1929: 2), who worked in such a plant, recalls that "management's concept of a proper day's work was what a foreman could *drive* workers to do." Those who could not keep up were simply fired (Copley, 1923: 283; Godfrey, 1912; Korman, 1967: 63; Nelson, 1975: 42-44).

Taylor (1947b) believed "the most important object of both the workmen and the management should be the training and development of each individual" (p. 12). He needed to stress training because his management philosophy hinged on finding improvements and implementing them in the workplace. The need to institutionalize change led him to buck contemporary practice.

## TRAINING

Taylor's approach was paternalistic. Describing his work at a bicycle ball factory, he writes:

Each girl [sic] was made to feel that she was the object of especial care and interest on the part of management and that if anything went wrong with her she could always have a helper [1947b: 96].

But he hardly viewed instruction as imposition of technique. Once workers learned his methods, he encouraged them to suggest improvements. He (1947a) notes that the "first step is for each man to learn to obey the laws as they exist, and next, if the laws are wrong, to have them reformed in the proper way" (p. 133). In a factory, this means the workers learn the planning department's methods and then suggest improvements. The managers run experiments and if the workers' suggestions increase productivity, they are adopted by the entire crew.

At the Link Belt Company, Taylor told workers he would test their suggestions and name useful changes after those who proposed them. He justified this by saying, "It is quite a thing for a man to have the best method about the works called Jones' method" (Taylor, 1911). James Dodge, a Taylor associate, believed that training gave workers a channel for making suggestions that could improve productivity throughout a plant; he paid \$25 for ideas that he used (Dodge, 1906).

Taylor had to face the charge that training might diminish worker autonomy. He replied (1947b) that no one wondered whether training diminished the autonomy of surgeons or dentists, yet

the training of the surgeon has been almost identical in type with the teaching and training which is given to the workman. The surgeon, all through his early years, is under the closest supervision of more experienced men, who show him the minutest way how each element of his work is best done [p. 126].

Only when the student learns the basis of his craft is he invited to "use his originality and ingenuity to make *real additions to the world's knowledge instead of reinventing things which are old*" (p. 126). Taylor wanted to extend interactive training to the factory because workers "require a great deal of information that they have not got. So do most managers" (p. 195).

For Taylor, training was a means to long-range worker development (Kendall, 1913; Taylor, 1947a: 28, 1947b: 9). Unskilled laborers learned time-study and job analysis. Machine operators became inspectors and instructors for new, less-experienced colleagues (Thompson, 1914). Workers "who must otherwise have remained machinists all their lives, . . . have the opportunity of rising to a foremanship" (Taylor, 1947b: 146).

It was the "duty of employers . . . both in their own interests and in that of their employees, to see that each workman is given . . . the highest class of work for which his brains and physique fit him" (Taylor, 1947a: 28). Adequate training was the means by which employers began to discharge this duty.

## FEEDBACK

At a time when workers received little information on their performance, Taylor broke with convention and gave his employees a slip of paper identifying their progress on assigned tasks.<sup>4</sup> He maintained bulletin boards that kept units posted on the status of orders. He was well aware that anxiety develops when workers lack knowledge about how their efforts are viewed. He (1947a) insisted that

each man should be encouraged to discuss any trouble which he may have. . . . Men would far rather even be blamed by their bosses . . . than be passed by day after day without a word [p. 184].

One obstacle to adequate feedback was management's inability to talk with workers, particularly immigrant workers or others with little ability to read and write English (Gilbreth, 1973: 16). In a speech to engineering educators, Taylor (1909) blasted college graduates for thinking that they had more mental ability than lathe operators. He insisted that managers needed human relations training to communicate with employees and that such training had to involve actually performing manual tasks in a shop, working "side by side and shoulder to shoulder" (p. 86) with the operators.

Although the modern literature depicts Taylor as an authoritarian, he explicitly condemned an arrogant approach to feedback communication. He writes (1947a):

The employer who goes through his works with kid gloves on . . . and who either talks to his men in a condescending or patronizing way, or else not at all, has no chance whatever of ascertaining their real thoughts or feelings [p. 184].

He urged supervisors to let the workers give their point of view and to listen with respect to the information they received in this way so that the workers would "feel that substantial justice is being done them" (1947a: 185).

An early proponent of Taylor's methods asserts that the system increased productivity because feedback eliminated the distrust that developed when workers lacked knowledge about how their performance was viewed (Babcock, 1972: 141). To the extent that information is power, feedback increased the workers' ability to control their shop floor destinies. Combined with interactive training, feedback created opportunities for two-way communication; such information exchange weakened the manager's ability to rule by whim.

## CONCLUSIONS

A review of Taylor's work shows that he anticipated several key motivational strategies generally associated with the human relations movement. He created a sense of mission; he increased two-way communication. While Taylorism is often used as a synonym for economic motivation, Taylor himself understood that higher needs are also important. He used esteem as a motivator when he offered to name acceptable suggestions after the workers who originated them. He gave workers a chance at self-actualization when he urged employers to develop unskilled laborers. Modern apologists for Taylor sometimes assert that economic motivation was necessary in his time because uneducated loaders and shovelers were not concerned with intrinsically rewarding work. (See, for example, Fry, 1976.)

Reading Taylor's own work suggests the futility of understanding a major theorist by repeating a few slogans. Taylor was a pioneer in establishing a quasi-experimental, comparative approach to work management. He painted with a broad brush. Studying a few quotes out of context distorts his message. Many management students learn that he wrote "What the workmen want . . . beyond anything else is high wages" (1947a: 22). Far fewer read enough Taylor to regard this statement as part of an attack on managers who arbitrarily cut wages and not a credo that only economic motivation counts. His statement on wages is actually a prelude to castigating managers for "unjust treatment" through arbitrary wage reductions (p. 23). About motivation, he writes that even "of more importance still" (than wages) "is the development of each man . . . so that he may be able to do, generally speaking, the highest grade of work for which his natural abilities fit him" (1947b: 9).

Time limits force textbook, compendium, and article writers to summarize the works of major theorists. Some simplification is necessary to

make sense out of mounds of possibly relevant data and to give the history of management theory a sense of drama, coherence, and temporal gain.

But simplification should not imply partiality. Simplicity eliminates trivia and noise. Partiality yields a lopsided view of an experiment or of a theorist's work.

Oversimplification and partialization of Taylor's work has led to a dysfunctional human relations/engineering dichotomy. A review of Taylor's writings shows that he urged managers to realize that technical success requires enhanced human relations. He not only wanted to create a management *science*, he wished to enhance the practitioner's understanding of management as an *art* (e.g., 1947a: 21, 63, 126, 149).

Taylor has much to say that is pertinent to a technologically innovative bureaucracy. Like most important theorists, he developed a particular style and format congenial for imparting his views. To get an accurate sense of his message, we have to read his own account. Textbooks and condensations have their place in linking administrators with their history, but additional insights emerge when we turn to original sources. For modern administrators, the work of Frederick Winslow Taylor remains one of those sources.

## NOTES

1. On computers, for example, McCurdy (1977: 262-263) analyzes their tendency to aid standardization and centralization. Cleveland (1985) explores the role they may play in limiting hierarchical control. Kraemer and King (1986) cite studies advocating each point of view.

2. The review consists of reading his two books (1947a, 1947b), articles, and unpublished papers, along with numerous articles on his work written by his contemporaries. Taylor's unpublished papers are available in the Taylor Collection at the Stevens Institute of Technology in Hoboken, New Jersey.

Wrege and Perroni (1974) contend that Taylor's writings are not reliable sources because he relates the same incidents differently in different places. However, Locke's (1985) evaluation of this critique shows that the alleged "discrepancies" tend to be variations in emphasis that do not alter the thread of Taylor's arguments.

3. The ox remark occurs because Taylor is trying to explain how a work science exists even for the most simple chores, such as Schmidt's job of loading pig iron. After admitting that "(t)his seems to be rather rough talk" (1947b: 46), Taylor describes the very elementary, routinized nature of the work and then asserts that it requires a person who is like an ox. The context certainly does not excuse the analogy, but it does suggest that Taylor was not simply labeling the workman himself as an ox. Taylor, here, goes against his own strictures (e.g., 1947a: 184) not to be patronizing or condescending.



4. Taylor (1947a: 202) gives Captain Henry Metcalfe (1885) credit for pioneering the use of cards to give workers performance feedback.

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This article examines the stability of rational decision making in complex, tightly coupled administrative organizations. In particular, it analyzes a process of decisional "tunneling" in which members of a set of decisions progressively undermine the rationality of one another, degrading organizational means-ends calculations. Under these circumstances, the pursuit of even boundedly rational decision making is displaced by "pathology"—behavior that is logically self-defeating, both organizationally and in relation to the self-interest of individual participants. The implications of this phenomenon are analyzed, both for organization theory and for exercises in organizational design.

## THE "LOGIC" OF ORGANIZATIONAL IRRATIONALITY

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**It is time to reexamine** some of our conceptions about organizational rationality. A great deal of the history of organization theory has been devoted to efforts to specify the capacities and limitations of organizational "reason" and to model the processes by which it operates (Simon, 1955; Simon and March, 1958; Lindblom, 1959; Lindblom and Braybrooke, 1963; Dror, 1968; Etzioni, 1968; Wildavsky, 1964). This literature has done much to stabilize our assumptions about the decision-making capacities of human organizations. It has offered an alternative to the global rationality prescribed in macroeconomic theory. Indeed, it has become widely accepted that organizations are boundedly rational—that their members intend to maximize given utilities, but that these strategies are limited by information and calculation costs as well as by control and "steering" uncertainties.

The concept of bounded rationality has been one of the most productive formulations ever developed within the social sciences. It has done much

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to explain policymaking and budgeting behaviors of both public and private organizations within a variety of settings.

Yet, for all of their utility, our models of bounded rationality have a largely unappreciated limitation. They assume that cognitive capacities, however limited, are a stable property among decision makers irrespective of shifting organizational circumstances that they may confront. That is, the ability of individual decision makers to devise a self-interested strategy (and the motive to do so) is presumed to be a constant—to apply with stability across classes of problems and to the same problem over different periods of time.

This article is about cognitive instability. In fact, it is about the vulnerability of modern, complex organizations to transformations that can seriously undermine the rationality of their decision-making processes. Ironically, there is a variety of case evidence to suggest that organizations are actually subject to significant fluctuations in the analysis and decision-making capacities that their members can bring to bear on a problem *depending upon the consequences of prior choice*.

In particular, this article will explore circumstances under which organizational participants are vulnerable to a kind of decisional "tunneling." Here members of a set of decisions interact progressively to circumscribe one another—distorting processes of search and calculation, and narrowing the scope of available options. Under such circumstances, the pursuit of rational self-interest can actually be displaced by "pathology," that is, by behavior that is logically self-defeating, both from an individual standpoint and from the standpoint of the organization as a whole.

To begin, consider the following cases:

- (1) A cancer researcher at the Sloan-Kettering Memorial Cancer Center falsifies experimental results regarding skin-graft transplantations in laboratory animals. Under pressure for grant renewals, and to offset the skeptical questions of outside researchers who have not been able to replicate his results, the scientist reports additional transplantation successes. Skepticism about these claims is ignored by the researcher's superior at the institute—a man who hired the researcher and whose name is listed as a coauthor on several of the articles reporting these "successes." Ultimately, the researcher is caught coloring in surrogate skin grafts on mice by a laboratory technician. The entire affair leaks to the press, destroying his career and causing great embarrassment to the institute (Hixson, 1976; Broad, 1983).
- (2) A design engineer at the aircraft brake division of the B. F. Goodrich Company errs in his blueprint specifications for a new aircraft brake. The

brake as designed is too small to prevent overheating and ultimate brake failure due to the disintegration of lining material. On the basis of the design, however, Goodrich wins a contract to supply the brake to the air force for use in a new line of fighter aircraft. A production engineer who discovers the problem is told by superiors to continue brake development despite a number of test failures. Afraid to reveal the error to the air force and under pressure to deliver the brake by contract deadlines, Goodrich officials order the falsification of certification test results and formally certify the brake to the air force. The brake fails in actual flight tests of the new fighter plane and a congressional investigation follows (Vandivier, 1979).

- (3) In an attempt to evade any linkage to the Watergate break-in, members of Richard Nixon's White House staff and the president himself evolve a cover-up. The financial and administrative requirements for implementing the cover-up escalate rapidly. Managing the cover-up consumes an increasing amount of organizational attention and implicates an ever-widening circle of participants. Ultimately, exposure of the cover-up itself leads to the resignation of the president—apart from the issue of White House involvement in the original break-in (Dean, 1976).

We might add to these cases a number of historical instances. Consider, for example, the "great purges" that have beset communist party organizations in both the Soviet Union and China. These purges swept even beyond the parties to society at large. Complicitors in the purges and executions were themselves terrified, realizing that as the process continued their own positions were increasingly vulnerable, their own survival increasingly dubious. In each country, both party and state were seriously weakened during these periods of largely uncontrolled bloodletting (Arendt, 1966; Getty, 1985; Tsou, 1971).

There is something unusual about these cases. Each reflects circumstances that are hard to interpret within the context of value-maximizing, or even "satisficing," decision models. Each reveals decision makers pursuing ever-diminishing "utilities" at progressively higher risk. In each case, circumstances have pushed organizational actors greatly to exceed the point at which the expected value attached to their actions could be positive. Indeed, they are caught in a string of choices among spiraling "disutilities."

It might be argued that cases such as these simply illustrate decision strategies rationally founded upon "making the best" of a bad situation. Yet the irony is that each decision actually functions to make the situation worse; each becomes a factor in the propagation of worsening utilities

surrounding further choice. The actors in these cases have become caught up in the peculiar "logic" of what might be termed a "decisional trap."

Our models of bounded rationality do not really capture such occurrences because they do not begin to define the variable states that organizational decision processes can assume. Instead, our models portray means-ends rationality as an invariant organizational property, one that has independent meaning apart from those circumstances that actually confront decision makers. Thus we fail to appreciate the range of fluctuation in motives, strategies, or response capacities that discrete organizational circumstances can engender. Our models of bounded rationality give us a misleading impression of stability when in fact modern complex organizations can display a significant variability in their decision processes.

As we will see, there are quite straightforward reasons why participants in complex, tightly coupled organizations are vulnerable to lapses in the logic of their decision making. Moreover, individual decision pathologies can be linked in turn to dangerous performance failures on the part of these organizations.

## RATIONALITY AND ORGANIZATIONAL STRUCTURE

Two major assumptions have come to predominate our analysis of complex organizations. One is the overall stability of their structure; the other is the overwhelmingly positive role played by structure in the enhancement of decision making.

In our analysis of modern organizations, particularly bureaucratic organizations, a major theme generally is the persistence of major structural configurations. We conceive of the constituent elements of structure—rules, roles, and reciprocal expectations—as quite stable. Indeed, many of the critiques of bureaucracy focus precisely upon its structural rigidity and resistance to change (Downs, 1967; Wilson, 1967).

Those changes that do occur within modern organizations are presumed to be "stabilizing" changes. That is, they are presumed to reflect equilibrating mechanisms in operation—either resolving inner contradictions and tensions (as in the emergence of informal organization) or in adjusting the organization to alterations in its environment.<sup>1</sup> At the same time, the formalization of rules and procedures and the stabilization of

roles and expectations are portrayed as major enhancements to organizational decision making. Specialization of roles allows the organization to handle a heavier and more-extensive information load. Stable expectations allow for more careful and more reliable means-ends calculations. This viewpoint has been classically expressed in Herbert Simon's (1968) *Administrative Behavior*:

The behavior patterns which we call organizations are fundamental, then, to the achievement of human rationality in any broad sense. The rational individual is, and must be, an organized and institutionalized individual. If the severe limits imposed by human psychology upon deliberation are to be relaxed, the individual must in his decisions be subject to the influence of the organized group in which he participates [p. 102].

Yet organizational structure can play a very different role from the assumed one of stabilization and enhancement of human cognitive processes. It is just this alternate role that is the subject of this article.

### RATIONALITY AND "DECISIONAL TRAPS"

An important characteristic of each case mentioned earlier is the special set of organizational circumstances under which decision utilities are being pursued. The utilities that major organizational actors seek are closely tied to changes in the structures of their organizations—either in the bindingness of rules, the content of roles, or the overall pattern of authority assignments. There will be more said about this form of organizational change, but for the moment note an interesting paradox. Each decision contributes to an enlarging set of organizational changes. Yet these changes lead ultimately to a conclusion that is logically self-defeating in relation to those very utilities that prompted action in the first place.

The escalating organizational requirements for a cover-up, for example, increase the number of players required for the "game," add to the distortion of their formal roles, and multiply the activity that must be covered up. All of this simply decreases radically the probability that such deceptions can be maintained. Likewise, every purge decreases the stability of organizational authority relationships and undermines the trust that any member can afford to place in any other member. Ultimately, as the escalation continues, the purgers themselves become vulnerable.

Under these circumstances decisions cannot be described as rational in a value-maximizing sense because they act to undermine the very values they are directed to secure. In an environment of distorted information, all decision makers will lose access to reliable data on which to strike a rational calculus. In a setting of widespread distrust and behavioral uncertainty, no decision maker can have enough stability of expectations to permit computation of a value-maximizing or satisficing strategy.

It might be argued that these cases represent extreme circumstances and that our attribution of "irrationality" to them stems wholly from the fact that the major actors failed in their efforts and were discovered. Thus irrationality means, in effect, the same thing as "getting caught."

But consider more closely the circumstances of these cases. In all instances, decision makers engaged in a spiral of progressively greater risk on behalf of what was *essentially the same utility*. In the Watergate case, for instance, more and more effort was expended for what was in essence the same purpose—to prevent public exposure of White House implication in the Watergate break-in. Yet each decision in this spiral entailed more risk of that very discovery; to put it another way, each decision was taken with a lower probability of realizing the basic utility.

Decision makers in such circumstances are in effect "trapped in place" with respect to the utilities they can hope to realize. As the probabilities of obtaining the initial utility decline over each decision, the "expected value" (benefit times the probability of its realization) of each subsequent decision must decline over that of its predecessor. Organizational decision makers are caught in circumstances that they themselves worsen.

We might note, also, that whereas positive decision utilities remain fixed in these cases, negative utilities are escalating rapidly. Indeed, decision makers are embracing potential losses in ways sharply different from what conventional models of rationality would lead us to expect.

Just such a possibility has been noted by two psychologists, Daniel Kahneman and Amos Tversky, in their (1984) study of decision behavior regarding gains versus losses. After numerous tests on a variety of experimental subjects, they conclude that "the psychophysics of value induce risk aversion in the domain of gains and *risk-seeking* in the domain of losses" (p. 341). Human beings, they suggest, tend in general to overweigh certainty in their decisional calculations. They are drawn to sure gains even when these might be smaller than gains that could be realized at only moderate risk. Thus a sure gain is frequently chosen even though the expected value attached to another option might well be higher.



This propensity to overweigh certainty, however, leads to radically different behavior with respect to prospective losses. Individuals will attempt to avoid a sure loss, even when the alternative is to risk an even greater loss by selecting an alternative with a far more unfavorable expected value. We are in effect drawn to risk, even to the point of choosing irrational options in terms of their expected value, solely to avoid a sure thing in the domain of loss.

It is this type of risk escalation that we observe in each of these cases. Whether there is ultimate rescue or not does not alter the unusual character of those strategies pursued in a decisional trap and the difficulty of accounting for these strategies under conventional models of organizational rationality.

*Narrowed decision options.* Another departure from conventionally modeled decision behavior is at work in these cases. As depicted in most models of boundedly rational decision making, "normal" decisions frequently constitute a refinement or "fine-tuning" of previous decision results in relation to a given objective.<sup>2</sup> These refining decisions differ in important ways from the trap described above. Although they may be directed at the same initial utility, they are taken at *ascending* expected values against a problem that they in themselves do not materially worsen. As such, these refining decisions are a form of error correction. They reflect both the cognitive limitations of decision makers (i.e., their likelihood of error) and their rational efforts to cope with inevitable mistakes.

But consider what it requires to make such a set of error-correcting decisions. The first requirement is to have an array of marginal options. Decision makers must confront a range of alternatives that define some gradient of action. Second, these alternatives must map onto outcomes that address the failures or insufficiencies of an existing course of action *while leaving the remainder of that course of action relatively undisturbed*.<sup>3</sup> In each of the cases sketched above, we see decision options progressively limited and, at the same time, decision consequences increasingly widened between desired and probable outcomes. In essence, fewer options chase more radically differentiated results. The stability of previous efforts cannot be assured without major new commitments on behalf of predecessor actions.<sup>4</sup> There is in essence no secure "base" from which adjustments can be made, no middle ground at which to aim. Under these circumstances error amplification rather than error correction occurs, and organizational behaviors diverge sharply from what boundedly rational decision models would lead us to expect.

## IRRATIONALITY AND UNSTABLE STRUCTURES

How can such self-propagating spirals or traps occur in organizational decision making? How especially among highly bureaucratized or professionalized organizations—organizations supposedly founded upon the instrumental rationality of close means-ends calculation? The answer surprisingly does not reside primarily within the psychology of individual decision makers. Instead, it lies deep within the characteristics of organizational structure. It lies in the vulnerability of that structure to a rather surprising form of organizational change.

*Structure and organizational design.* Consider what we mean when we talk about organizational “design.” In its typical usage, *design* is identified with those formal structures of an organization (again, rules, roles, and expectations) that are purposefully put in place to accomplish set objectives. However, design means more than the establishment of discrete formal structures. Designs also establish a conditional dependency among the elements of structure—a “logic” that relates these elements to each other and limits the interactive configurations that they can assume relative to one another (Ashby, 1968). A pair of hierarchical roles, for example, establishes a superior/subordinate relationship among the occupants. This binds both roles to one another in a web of expected behaviors. A design “logic” can, of course, implicate informal structures as well as formal ones.

Following this argument, we might array a causal hierarchy pertaining to organizational performance that would look as follows:

Design > Conditional Logic > Structures > Behaviors > Effects

The design establishes a conditionality that links organizational structures to one another and limits them to a set of determinate interactive possibilities. The structures in turn influence human behaviors, radically upgrading the probability of certain actions and downgrading the probability of others. These behaviors, of course, produce expected organizational effects—the outcomes of multiple behaviors intersecting with one another.

Within an idealized world of organization, each level in the hierarchy would be an exclusive, one-way causal contributor to the next. In the operational world of organizations, however, we obviously cannot expect fully determinate causal connections among these levels of organization. Individual behaviors may well occur that elude the constraints imposed

by a particular set of structures. Or, a set of structures may actually interact in ways anticipated in a formal organizational design. This we refer to as *slack*. Finally, and with important implications for the stability of rational processes, it is distinctly possible for important organizational changes to proceed in precisely the *reverse* causal direction as that depicted in this idealized hierarchy. That is, specific behaviors may actually induce changes in an element of organizational structure, and this alteration may in turn ramify upward to alter the combinational pattern that a set of structures can assume relative to one another. To understand this possibility, let us probe a bit further into the idea of organizational design and the relationship of designs to actual organizational behavior.

*The necessary incompleteness of purposive designs.* As has been suggested, *design* refers to a set of mutual constraints within a set of structures. Yet it is also a *model* of the way in which we perceive such constraints. A given design thus has both prescriptive and analytic dimensions. It is a term we use to refer to the binding logic of a system, but it is also an intellectual exercise by which we attempt to understand how a system works. These two aspects (design as constraint and design as understanding) are both challenged by the phenomenon of slack. Not only does slack limit the bindingness of mutual constraints on behalf of the logic of a system, it also diminishes the confidence with which we can assume that any single design, as an analytic model, in fact captures the logic of that system.

Consider this issue, for a moment, within the context of technological designs. A given technology—an automobile, computer, or nuclear power plant—may be designed on the basis of a set of performance rules that have been derived from fundamental analytic postulates (physical laws or engineering principles). These rules prescribe a set of conditional dependencies for the production of desired effects.

But we have already suggested that for any complex set of binding constraints there will always be some slack. This means also that analytically we cannot be sure that all valid performance statements expressible about the elements of a technology have in fact been deduced and thus are “covered” by its design. In fact, to the degree that slack may allow contradictory behaviors to occur among the elements of a system (Perrow, 1984), it may not be possible ever to describe fully the operation of a technology from the standpoint of a single consistent design.

It is thus a risky assumption that any set of consistent performance rules that specify the behavior of a technology can exhaust all of its behavioral possibilities. Both the binding and the descriptive aspects of its design

must in an important sense be incomplete. To put it another way, there are likely to be "holes" in our understanding through logic of complex system designs.<sup>5</sup> In this respect, one analyst has argued the following:

Technical precepts are "rules-of-rightness" that account for the successful working of a system but leave its failure . . . unexplained. The collapse of a bridge, the crash of an airliner, the breakdown of the safety systems of an atomic reactor (due perhaps to nothing more spectacular than the flame of a candle setting fire to the controlling cables) represent violations of the model of a smoothly functioning machine that cannot be understood within the framework of the technical prescriptions [Majone, 1978: 53].

A consistent analytic framework cannot model inconsistency. A technically consistent design thus may not embrace all valid propositions about the behavior of a system. Some of these behavioral possibilities, in fact, may turn out to be of enormous importance to the ultimate performance of that system.

It is certainly true, of course, that design principles are supplemented in many technologies by trial-and-error experience over a long operational history. Interestingly enough, however, this experience is often unexpressible in terms consistent with the formal design. It is frequently a kind of "tacit" knowledge utilized and passed on by operators informally in their management of the technology.

Now take the issue of organizational design. The question of design "completeness" in an organizational context hinges upon the degree to which a given design establishes limiting conditions that really do bind in anticipated way the patterns by which organizational structures can interrelate and, subsequently, the pattern that organizational behaviors can assume. Regarding this question of completeness there has been a major historical shift in our organizational perspectives.

Under the classic scientific management perspective, human organizations were conceived of as production technologies. It was believed that their behavior really could be specified and circumscribed by a formal deductive system. Indeed, the optimizing ("one best way") approach to organizational design adopted by these analysts was founded upon a confidence that axiomatic consistency and prescriptive completeness were possible within the context of formal organizational design. The scientific management practitioners appeared to believe that it was possible to develop a single consistent axiomatic system, from which one could derive for each organizing challenge a set of true statements (or design imperatives). These statements would at the same time be complete

in that they would specify all important organizational behavior and performance characteristics.

This approach to organizational analysis and design proved unsatisfactory in a number of respects. First, many of the axioms utilized in the method did indeed prove to be contradictory, as Herbert Simon's (1946) famous essay on administrative "proverbs" was devastatingly to demonstrate. More importantly, perhaps, the design statements derived from the method were manifestly incomplete—they did not attend to significant aspects of human organizing (such as informal organization) that had enormous consequences for organizational performance.

A growing awareness of the limitations of organizational design as both a formal analytic and a prescriptive exercise led to the emergence of an alternative organizational perspective. Organizations are now conceived of as open systems, constantly impelled to maintain adjustment with shifting environmental forces. The nature of these forces could hardly be anticipated or controlled for in a single organizational design. Indeed, designs themselves would have to *evolve* in response to constant needs for evolutionary adaptation.

In the open-system perspective, no single design can be complete in either its binding or its descriptive aspect. It cannot hope to anticipate the entire range of possible organizational states. In fact, the dominant thrust of the open-system approach is that organizational behavior is determined only partially by anticipatory designs. Indeed, successful organizations have effected major substitutions of *reactive capacity* for *foresight*.

The stress on such concepts as equilibrium, negative feedback, and equifinality reflects the reactive, nondeterministic conception of organization that has come to dominate contemporary analysis (Katz and Kahn, 1966). The modern approach asserts the advantages of flexible "error-embracing" organizations with a high tolerance for uncertainty—overrigid "error-avoiding" systems that attempt preprogrammed control founded upon error anticipation (Michael, 1973; Hrebiniak, 1979). Yet even this newer perspective underestimates the peculiar kind of instability to which incompletely specified organizational structures are subject.

## DESIGN LIMITS AND ORGANIZATIONAL CHANGE

What we have said so far is that all organizations must be composed of structural elements the interactive or "combinational" possibilities of which cannot be exhausted in any present or formally anticipated con-

figuration. There are always degrees-of-freedom present among the components of organizations. Organizational slack allows the interaction of rules, roles, and expectations to occur in formally unexpected ways. This, of course, is precisely the basis upon which "informal organization" arises within formal structures. If there were no slack—free time, unutilized capacities, untapped motivations—informal patterns would not be generated.

But the incompleteness of designs implies more than simply the possibility of informal organization. In any set of interacting structures, the stability of some can act to undermine the stability of others. Incompleteness, together with the remaining conditionality linking organizational structures, can produce some very dramatic patterns of organizational change. This is especially the case, ironically enough, where there is a particularly large amount of closely interlocked structure relative to available slack.

Recall those instances of "irrational" behavior depicted in the cases presented earlier. These behaviors were not simply single-shot, randomized departures from formal norms and role expectations. They were *organized* behaviors, yet organized in a peculiar way—a way that differs sharply from our traditional conception of informal organization. They were actions that contradicted and undermined formal rules and other elements of organizational structure, yet at the same time *were amplified and reinforced* by these same structures. Falsified experimental results in the Sloan-Kettering case were accepted because of the very expectation of honesty, as well as the prior endorsement of the researcher by an institute director. In both the Watergate and the Goodrich cases, formal hierarchy was used to promote illegality.

What we see here is a form of organized deviance. It arises not simply because of slack, but out of *the combination of slack and prior structure*. We might think of this as a "fulcrum" effect. A deviation among one organizational element can exert pressure upon another through those conditional linkages that remain intact, and so increase the probability that it too may deviate.

The distortion of information across levels of hierarchy often proceeds by this "leveraging" process. Consider a very pedestrian example by way of illustration. Virtually everyone has played the timeworn "whispering" game whereby a secret whispered to one player is repeated to another and so on in series until the final result bears practically no relation to the original input. It is not simply words omitted or garbled in transmission that causes the gross message error appearing at the end. It is a constant

effort to impose rules of logic and syntax—that is, to *reintegrate meaning around a deviating element*—that compounds the information distortion in this particular communications link.

Distortions spread because deviant or erroneous elements of information are embedded within larger patterns of validation or meaning by meaning-creating rules or perceptual frameworks (Jervis, 1968; Janis, 1972). Once so embedded, these elements can affect the reliability of subsequent organizational intelligence. Their detection and removal costs become greatly magnified. During the Vietnam War, for instance, official but erroneous estimates of Vietcong strength were widely circulated throughout defense-policy circles without being subject to critical scrutiny or even periodic updating. Indeed, their very circulation contributed further to their validation as credible estimates (Adams, 1980; Thomson, 1972).

This leveraging process suggests that for any organization, the ratio of slack to integrated structure can be of great importance in the generation and propagation of deviance. Let us contrast for a moment organizations with widely different ratios of slack to structure. Those with a great deal of slack—that is, whose elements have a relatively wide range of behavioral freedom unbound by tight conditional relationships (such as highly decentralized or “loosely coupled” organizations)—offer a relatively great opportunity for contradictory or inconsistent behavior (“error”) to occur. Yet the relatively low-conditionality interlocking structures mean at the same time that many of these actions will not leverage outward or compound themselves. They are more likely to be contained or dampened out in a localized area.

In a centralized and tightly structured organization, however, there are fewer free elements relative to those interlocked in a single overall design. This means that there is a smaller range of slack available for contradictory or “deviant” actions to occur. However, no design can be complete, and those deviant actions that can occur have a far greater probability of being leveraged outward against interlocking structures—to ramify, in other words, widely throughout the organization. A tightly structured organization can thus “resonate”—a process by which profound changes can be induced in its overall state and by which *simple error can be transformed into organizational pathology*, an actively propagating set of contradictions in the logic of the organization itself.

A profound trade-off thus confronts us in our strategies of organizational design. We can tolerate highly incomplete designs that permit relatively large amounts of slack among structural elements—a kind of operational decentralization—but we do so at the expense of a fairly large

number of unanticipated and potentially contradictory behaviors. On the other hand, we can attempt to prevent many of these "errors" by designing them out. This we do by means of ever more anticipatory and complete design efforts, which reduce slack by rules, regulations, and narrowly prescribed role definitions. This produces a centralized organization less prone to low-level error but far more vulnerable, should it occur, to its becoming institutionalized through some fundamental alteration in the organization's state. This is a trade-off between the *prevention* and the *containment* of organizational error. Designs directed toward one objective are likely to be very poorly suited to the other.<sup>6</sup>

### IRRATIONALITY AND ORGANIZATIONAL "RESONANCE"

The kinds of situations depicted in those cases with which this article began represent extreme departures from expected organizational behavior. Yet these behaviors are founded upon some equally extreme transformations in organizational structure. The content of roles has been altered. In some instances, information and communication channels have been rerouted. In other cases even the directionality of organizational authority has been reversed. During the great purges, for example, formal subordinates (through blackmail or other threats) sometimes ended up giving orders to their nominal superiors rather than receiving them (Mandelstam, 1976). Under the impact of such change, even strategies of rational decision calculation can be upset and replaced by a downward spiral of "captured" decisions—each taken to validate or reinforce a predecessor decision, yet each taken in pursuit of declining expected values regarding gain and at higher risk regarding loss.

Such radical (and rapid) transformations are difficult to understand within equilibrium-based conceptions of organizational change. However, they are explainable in their fullest intensity within a theory of organizational "resonance."

It is a common occurrence in nature that tightly coupled systems are subject to resonance. Under this process causal linkages that run in one direction can also establish causal pathways in the reverse. Thus neural connections that carry electrical impulses in one direction can carry inflammation back in the other. In mechanics, gear linkages that carry motion from one part of a system to another may resonate in reverse. In reduction gearing, for example, large circular motions are reduced to smaller ones. Yet independent forces applied to the "output" end of the

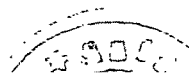
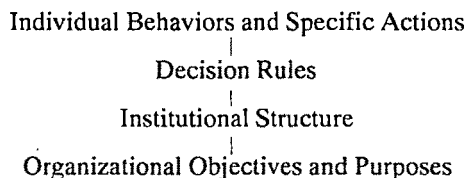


gearing chain can result in much larger motions at the starting end—often with disastrous results for the system. Even individual system components that are designed for one-directional input/output flows can reverse the direction of those flows and radically alter their function. A simple phonograph speaker, for instance, which is designed to transform electrical energy into sound impulses for the listener, can also function in reverse—as a microphone that transforms sound energy into electrical impulses.

In the same fashion, formal administrative hierarchies that carry authority from one level to the next can carry culpability back in the opposite direction. An organizational role, designed to impose norms and expectations upon behaviors, can also resonate in reverse. Behaviors can occur that force norms to be modified and that alter a set of related organizational expectations. In this fashion, norms, instead of imposing an organizational logic upon individual behaviors, can function as “transmission belts” through which deviant behaviors can force a change of expectations, institutionalize a revision of norms, and thus alter the very “logic” of the organization.

This resonance can be readily observed in such organizational phenomena as decline cycles in organizational morale and performance, or in the spread and institutionalization of corruption from lower organizational levels to higher ones. The evolution of these states contradicts our normal conception of the causal hierarchy of organization running from design to structures to behaviors. Indeed, under resonance the directionality of causation runs in reverse: from behavior to structure to the conditional logic of the organization itself.

It is important to put this concept of resonance in perspective regarding our traditional notions of organizational change. Typically, analysts distinguish among those types or “levels” of change that may characterize a complex organization. Anthony Downs (1967), for example, has aptly differentiated among four levels of change, arrayed by decreasing frequency of occurrence:



Downs suggests that, at the surface level, change is relatively easy and frequent, but as the "depth" of change increases (toward institutional structure and broad objectives), it becomes far more difficult and less likely within an organization.

Significantly, Downs suggests that the causal relationship among these levels of change is upward and asymmetrical. Changes in specific actions do not alter decision rules, but decision rule changes can alter specific actions.

Yet it is precisely this one-way causality that organizational resonance reverses. Whereas the Downsian model asserts that the "deep structure" of an organization is in effect buffered from the impact of specific behavioral perturbations by the one-way direction of causality, resonance implies the opposite—that tightly coupled organizations are extremely vulnerable to processes of change running from the specific to the general, from little perturbations to big ones.

Consider the relationship between decision rules and action. One would certainly expect under normal circumstances that decision rules would causally precede decision outcomes; strategies would precede solutions. In this way, calculation and risk-bearing strategies would closely limit those options that decision makers could adopt, or even entertain.

However, in the cases we have been describing, previous behaviors leverage against decision rules, forcing far greater risk taking than would otherwise have been the case. The backward progression can proceed even further to alter the motives under which decision calculations are undertaken. When caught in a decisional trap, even security-maximizing individuals may find themselves hoping for the "big return" in pursuing high-risk, high-pay-off strategies.

(Interestingly, close correspondences can be observed between such organizational "resonance" and the behavior frequently displayed by "compulsive" gamblers. A number of studies of these individuals describe their susceptibility to peculiar transformations in decision strategy based upon previous wagering behavior. As the time spent at gambling increases, betting frequency goes up. The odds on each bet tend to become longer. If losses begin to cluster, compulsive gamblers often lapse into a behavior pattern called "chasing." They will sharply escalate risk, hoping to recoup to their original position, and will follow downward a declining spiral of expected values [Dickerson, 1984]. One analyst suggests that a likely explanation for this behavior might be a shift in motives under the pressure of losing outcomes [Herman, 1976]. It is a shift, of course, that

further erodes objective decision rationality and leads to progressively worse outcome probabilities.)

## RESONANCE AND GOAL DISPLACEMENT

It might be suggested that the behavior depicted here could be accounted for equally well under a conventional analysis of goal displacement. In its classical formulation, the model of organizational goal displacement asserts that the pursuit of those means necessary to obtain a formal organizational objective leads to an institutionalized preoccupation with a subset of these means as ends in themselves. This results in behavioral alterations that can actually run counter to the realization of the formal objective (Merton, 1952; Michels, 1948; Sills, 1957).

The goal-displacement process is primarily a function of individual motives and the effort to achieve a balance between these and formal organizational task requirements. Because a set of behaviors one or two steps backward along an organizational means-ends chain provides greater satisfaction of a valued good, these behaviors receive more stress than was anticipated in formal role assignments. An organization-wide goal displacement is portrayed as an extension of this process across many individuals.

Yet these individualized motivational adjustments hardly seem capable of accounting for the major behavioral changes evidenced by actors in the cases we have been discussing. Although goal displacement accounts for a shift in the relative balance of behaviors associated with a given role, it is still a shift among behaviors *latent in the role itself*. Resonance can qualitatively alter organizational roles. It can induce behaviors that are not simply statistically unlikely but that are formally forbidden or proscribed. (As an exasperated Goodrich vice-president argued in connection with the Air Force brake debacle: "We have thirty-odd engineers at this plant. . . . It is incredible that these men would stand idly by and see reports changed or falsified. . . . Just nobody does that" [Vandivier, 1979: 174].)

Further, goal displacement is founded upon a self-interested *rational* choice among individuals to distort the content of their roles in order to maximize particularized values. Yet we have seen circumstances in which behaviors occur that do not seem accountable under maxims of rational or even boundedly rational choice. Indeed, individuals caught up in

decisional traps are no longer even pursuing positive expected values. As noted by Kahneman and Tversky (1979), they are seeking to avoid the certainty of increasingly negative outcomes or threats. Their own behavior worsens the expected values associated with the next round of choices.

In this respect, the concept of "goal" itself conveys a misleading "purposiveness" to actions that occur under conditions of resonance. Indeed, participants in cases such as these frequently describe their experiences in ways not unlike those of compulsive gamblers—as being "in over my head" or "caught up in something beyond my control." It seems hard to explain these effects under conventional notions of goal displacement.

### RESONANCE AND INFORMAL ORGANIZATION

If it is difficult to account for the behavior in these cases under the rubric of goal displacement, it is equally difficult to describe the organizational transformations that these behaviors represent as simply the emergence of informal organization. Again, our conventional understanding of informal organization is founded upon conceptions of value-maximizing effort, closely related to self-interest.

Elements of informal organization are typically portrayed as buffering conflict between general goals and private motives, filling in gaps between formal organizational designs and actual task requirements (Mayo, 1945; Etzioni, 1964; Gouldner, 1954; Katz and Kahn, 1966). Where conflicts occur between formal and informal elements of organization, these are depicted typically as precursors to a stable readjustment founded upon a functional reintegration of conflicting elements. There is little room within these conceptions for the treatment of what amount to self-destructive processes from *both* an individual and an organizational standpoint, processes that do not serve value-maximizing objectives.

It is revealing in this respect to note the treatment by organization theorists of organizational corruption and "deviance." These concepts are typically defined only in relative terms, because under assumptions of value-maximizing behavior they must always be the consequence of rational strategy, and must always benefit someone. Thus one analyst asserts that "there is no acceptable sense in which one can say that the organizational leaders in an anomic situation engage in 'deviant behavior.' What is very generally at stake is the definition of what is deviant" (Stinchcombe, 1965: 175). Or another suggests that corruption is simply

"innovation," or the pursuit of desired goals by expedient but socially proscribed means" (Vaughan, 1983: 55). These relativistic conceptions do not really capture the special dysfunctions associated with decision traps—the extent to which they promote logically contradictory behavior that undermines the position of *even the major participants*.

Moreover, the emergence of informal organization is generally assumed to be a gradual process—a steady accretion of elements (such as informal leaders, roles, and communication patterns) spread out over long periods of accumulated organizational experience. Even the shift from one dominant coalition to another, which Cyert and March (1966) assert as a major cause of organizational change, is depicted as a predominantly evolutionary process.

But organizational resonance induces fast-moving waves of change. The transformations it engenders—in roles, expectations, and authority assignments—do not proceed toward stable equilibria or "resting points." In fact, these transformations compound themselves—leveraging outward against stable structures to limits that can threaten the functional and rational underpinnings of an entire organization.

It seems then that these cases of organizational resonance reflect processes that are not well captured in our existing models of organizational behavior and change. Yet this phenomenon may well have important implications, both for organizational analysis and for the practice of organizational design.

## CONCLUSIONS AND IMPLICATIONS

This article has focused upon instances of seemingly "irrational" behavior conducted within organizational settings. These are behaviors that are logically self-defeating in terms of those very outcomes that they are directed to secure. Although such occurrences might be dismissed as randomized "anomalies" in otherwise normal organizations, we do so only at our analytic and institutional peril.

These are not randomized departures from system behavior. They reflect an organizational transformation that is ordered in its own right. It is a transformation founded upon a process in which deviant behaviors propagate by means of an interactive leveraging against stable structures. Organizational resonance generates behaviors unanticipated in organizational design. It induces change in a reverse direction from that dictated by the formal logic of the organization.

Transformations under resonance can occur at a speed and depth not accounted for in equilibrium-based models of organizational change. They can displace even strategies of rational, self-interested calculation among key organizational participants.

It is interesting to contrast this argument with our present conceptions of complex organizations. Prevailing models of bureaucracy, for example, stress the enormous institutional inertia and resistance to change of these organizations. The behavior of their members is assumed to be bounded closely within the limits of a narrow motivational self-interest pursued under a constant means-ends calculation (Downs, 1967; Wilson, 1967).

Yet such formulations blind us to the possibility of rapid departures from expected behavior—even within highly bureaucratized settings among actors with strong professional socialization toward formal rationality in their actions. (After all, one of the cases occurred in a research institute and another in an engineering unit.)

Another set of challenges posed by organizational resonance is to our analysis of organizational "pathology." As mentioned, our commitment to value-maximizing strategies, however bounded, as the driving elements of organizational behavior imposes a severe restriction upon our understanding of pathology. "Corruption" and "deviance" are treated as simple subsets of rational behavior. There is no analytic platform from which an observer can assert an independent meaning to these terms without seeming to become normatively partisan, that is, without "taking sides" and condemning one value-maximizing effort as against another.

A recent study defines "a corrupt act as any illegitimate use of public power or authority for private benefit" (Nas et al., 1986: 108). Yet important dimensions of corruption are neglected in this definition. We have seen cases in which the major actors in episodes of corruption are themselves victims of decisional traps. Their behavior has in fact exceeded rational boundaries of personal benefit. Although rational models of corruption may well explain triggering motives, they may fail to capture important aspects of corruption as an evolving organizational dynamic.

In the long run, however, the issue of resonance may be of more significance within a practical domain, in the process of organizational design. We have suggested that no formal organizational design, however elaborate, can have anything more than an incomplete correspondence to the configurations that can be assumed by organizational structures, and, subsequently, to the behaviors that those structures can produce. Yet it seems that we are demanding ever-tightening performance tolerances from modern, complex organizations. New technologies—in health care,

transportation, nuclear power, and weaponry—impose stringent demands upon human command and control systems. Even small errors can produce catastrophic effects (LaPorte, 1982; Perrow, 1984).

In our attempt to control error and limit performance tolerances, we resort to ever more anticipatory and inclusive organizational designs. These create tightly coupled, closely integrated structures. Further, low-error-tolerance organizations are precisely those in which individuals are most fearful of reporting error, and in which officials least expect it (Hrebiniak, 1979).

If nothing else, the theory of resonance should warn us that *organizational rationality itself* can be unstable. No organization can be error-free, and designs that assume otherwise are in themselves extremely conducive to the spread of pathology. We need to learn a lot more about organizational resonance in order to arrive at designs that can offer a safe compromise between the need to prevent error and the need to protect against organizational irrationality. In the meantime, it is hard to feel comfortable with the current state of our organizational art.

## NOTES

1. For a useful review of the literature regarding organizational change, see Philip Marcus (1976).
2. This refinement process is particularly prominent in the incremental and "satisficing" models of decision making (Lindblom, 1959; Simon, 1955).
3. This requirement of a "stability of previous effort" for successful decision making and problem solving is elaborated in Simon (1962) and Deising (1967).
4. For related treatments of organizational "momentum," see Maruch (1985) and Staw and Ross (1978).
5. The concept of "holes" in analytic systems is explored elaborately, if somewhat fancifully, in Hofstadter (1977).
6. For some important explorations in the theory of organizational error, see Landau (1969) and Landau and Stout (1979).

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Disjointed incrementalism became a feasible paradigm for American administrative decision making during the growth of interest-group liberalism. Over the same time, methods of quantitative rationalism gained their efficacy for administrative decision making amid the rise of a technocratic liberalism, and amid social transformations that made public life more systematic, enumerable, and quantifiable. How could both these forms of reasoning come to be plausible ways of responding to the world, despite their seeming incompatibility? How could the two paradigms coexist in American administration during the liberal era? In view of the apparent failings of incrementalism, did methodological policymaking fare better? This article argues that incrementalism and methodology each depended for its policymaking efficacy on historically derived structural conditions. Since history never fulfilled the requisites of any rationalist decision paradigm, the paradigms provided inadequate principles for public decisions.

## *INCREMENTAL VERSUS METHODOLOGICAL POLICYMAKING IN THE LIBERAL STATE*

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The post-World War II liberal era in America brought together a curious combination of political tendencies. As depicted by one school of thought, that associated with the work of Theodore Lowi, the period saw the rise of interest-group politics. To another set of commentators, particularly Daniel Bell, this was the time of the emergence of nonideological, technocratic politics. The Second Republic seems to have appeared on the scene at the same time as the Post-Industrial Society.

Pluralism and technocracy surely made for uncomfortable bedfellows. One supported participation and decentralization, whereas the other

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avored centralized decision making by specialists. Moreover, the two political visions promoted entirely different, perhaps incompatible, paradigms for decision making. One advanced a disjointed-incremental logic for policymaking, whereas the other looked to techniques of calculated rationalism.

This article asks three questions of these two strands of liberal politics and their associated paradigms for decision making. First, how could both paradigms simultaneously be seen as plausible means for dealing with the world, when the principles of one tend to contradict those of the other? Second, how could these contrasting paradigms coexist, often in the same organization, under the liberal mantle? Third, in view of widespread evidence of the ineffectiveness of interest-dominated, incremental policymaking, has technically oriented policymaking done better?

To set the stage for asking these questions, I trace the rise of both interest-group and technocratic liberalism, first by reviewing Lowi's observations on the rise of interest-group domination. Technocratic liberalism presents a more difficult case, however, since studies of the subject tend to interweave, or to confound, two separate kinds of politics: the patronage politics of big science projects and the politics of technical reasoning in policymaking. Focusing my comments on the second kind, methodological technocracy, I describe the growing prominence of this political tendency since World War II. I then summarize the views of the theorists of incrementalism and analysis, showing that each persisted in viewing the other as the stumbling block to the ascendance of effective policymaking.

To explain how the two kinds of liberalism could plausibly defend such contrasting paradigms for administrative action, I go on to argue that incrementalism and rationalist methodology corresponded to different structural transformations occurring in the liberal era. The structure of mobilized interest groups and political penetration of administrative agencies made incrementalism a usable principle for administrative action. Simultaneously, as more and more of public life became rationalized, standardized, enumerable, and systematic, quantitative reasoning came to offer another seemingly efficacious paradigm for administrative choice.

To explain the coexistence of the two forms of policymaking under liberalism, I observe that interest-group-oriented bureaucracies learned to live with quantitative reason through strategies of decoupling, the use of methodology as a political weapon, opportunism, partisan methodology, post-facto justification, and the use of technical methods for their semiotic function. On the question of the effectiveness of methodological

policymaking, I give some tentative evidence that it was no more effective than the incremental kind.

In concluding the article, I argue that one explanation applies to the inadequacies of both paradigms, namely, that both unknowingly incorporate assumptions about the structure of social reality. Incrementalism works well if it takes place under an interest-group structure of domination. Methodology is effective if it operates in conditions in which social affairs have come to be technocratically rationalized, that is, made enumerable and systemically interrelated. Since the social world never takes on pure versions of these structural characteristics, decision-making paradigms that assume one kind of world must be largely ineffectual.

### THE EMERGENCE OF INTEREST-GROUP LIBERALISM

Since the 1930s, and even more emphatically since 1960, the United States has experienced the rise of a reign of interest-group politics. According to the foremost chronicler of this political tendency, Theodore Lowi (1979), these are politics that demur from admitting the inherent coerciveness of state policy, and avoid the political commitment of formally specifying policies in legislative law.

Interest-group politics formulates vague laws, ones with few standards of implementation, allowing administrative agencies to interpret them as occasion and interest dictate. Policies and government agencies are thereby more easily captured by the interests they are ostensibly designed to regulate or influence. Allowed to set their own aims and to discover how to carry them out, the agencies are free to make decisions without formal plans or directions and according to the whims and political pressures of the moment.

As in the prototypical case of the Office of Economic Opportunity, this is delegation taken to the extreme. Each division of the agency carries out its general mission of helping the poor in any manner it sees fit. Guided by noncommittal legislation, the agency opens itself to participation by interest groups, to having their claims shape its policies. At best, the more forward-thinking agency helps less-articulate clients take part in this administrative process (*process* is always the key word, since ends and means are unclear) by helping them become politically active, transforming their demands for justice into just another interest.

According to pluralist theory, which has become an ideological foundation for modern liberalism, such interest seeking is all for the best. The interplay of self-serving groups along with the process by which their interests come to be represented in legislative arenas produce, indeed define, desirable policy.

Modern liberalism arose to challenge nineteenth-century free-market liberalism (which became conservatism) when, in response to the destructive side-effects of ungoverned capitalism, government administration expanded in the midst of the market economy (Lowi, 1979: chaps. 1, 2). As seen most clearly in the policies of the New Deal, modern American liberalism first supported strict government regulation and intervention to counter the market's excesses. However, in the years after World War II, an interest-group variant of liberalism came to redefine the political process. This process would now avoid a coercive governmental role in the economy and embrace the seemingly self-regulative mechanism of interest groups vying to serve their own interests.

This new brand of liberalism did not start in the sixties. By the 1930s the Departments of Commerce and Agriculture had already incorporated client groups, farmers in one case and industrialists in the other, into the operation of the agencies, often allowing these groups to control the implementation of policies that they themselves wrote for their own purposes. By the 1960s, this administrative process had come to saturate political life so thoroughly that, as Lowi puts it, the United States could now be said to have entered its Second Republic.

The stricter liberalism, that of the depression-era social legislation, directly confronted capitalism, but the liberalism of the New Frontier and the war on poverty saw everywhere the possibilities for public-private cooperation. This newer liberalism hoped to adapt to the broadest range of public impulses through politicking, bargaining, and participation.

Where this kind of politics reigns, all kinds of groupings of persons gain incentives to pursue their fortunes by organizing themselves as lobbies and interest groups. The twentieth century has therefore seen the growth of trade associations, professional associations, labor federations, and citizens' groups of all varieties. In this political environment, without formal laws and jurisprudence to direct policy, politics descends through and suffuses the bureaucracy. Administrators operate through negotiations, ad hoc decisions, and opportunism. Indeed, pluralist theory provides administrators with advice, a set of precepts, on how to act appropriately

in this environment. Its advice is disjointed incrementalism (see Lindblom, 1959).

### METHODOLOGICAL TECHNOCRACY VERSUS THE TECHNOCRACY OF BIG SCIENCE

Over the time that liberalism took hold in America, and interest-group liberalism entrenched itself as the mainstream philosophy of federal action, technocratic politics also entered the scene. Both Daniel Bell, the main celebrant, and Jurgen Habermas, the prominent German critic, of this politics have tended in their writing to intertwine, perhaps to confuse, two divergent strands of technocracy.

There is, first, the technocracy that favors scientific research and the unbounded growth of technologies, and supports technical programs, whether that of drilling the earth's crust or building supersonic passenger planes. It sees technical progress as beneficial, indeed inevitable. This kind of technocracy grew up in the wake of the Manhattan Project, saw the appointment of technical advisers to the president, and fostered the great technoscience agencies, the National Aeronautics and Space Administration (NASA), the Atomic Energy Commission (NEC), the National Science Foundation (NSF), and the research wings of the Department of Defense (DOD) (see Lambright, 1976). It is to this that Beer (1973) refers with the phrase "technocratic federalism," meaning a cluster of technological bureaucracies and their client scientists who have access to a recondite knowledge quite unchallengeable by the general public, and therefore can become unassailable lobbyists of their own programs.

As the product of particular professional interest groups and as a set of government programs given exceptional discretion, this kind of technocracy fits neatly into the pattern of interest-group liberalism. However, there is a second kind of technocracy, denoting rule by technique, mode of analysis, and calculation. If the former is the technocracy of scientists and engineers, this is the technocracy of methodologists—operations researchers, policy analysts, welfare economists, management scientists, and statisticians.

Since the appearance of indicative planning in France, the French have preoccupied themselves much more than have Americans with technocracy. It is to the French that Daniel Bell (1973) turns for a dictionary definition of technocracy: "A political system in which the determining influence belongs to technicians of the administration of the economy."

A technocrat is "a man who exercises authority by virtue of his technical competence" (p. 348).

Bell adds:

But a technocratic mind-view, we can say with some sense of paradox, is more than just a matter of technique. In its emphasis on the logical, practical, problem-solving, instrumental, orderly, and disciplined approach to objectives, in its reliance on a calculus, on precision and measurement and a concept of a system, it is a world-view quite opposed to the traditional and customary religious, esthetic, and intuitive modes [p. 349].

Bell is clearly speaking here of technocracy as the rule of technical methods. Yet in his writing he complicates the issue by focusing equally on the growing influence of natural scientists and science advisers to the government, and on the accelerating governmental involvement in R&D, as if these tendencies were quite indistinguishable from the growing influence of technical reasoning in policymaking.

In his writings on the "scientization of politics," Habermas (1970) also conflates the two technocratic tendencies. On the one hand, he writes that technocracy appears on the political scene when experts no longer behave as mere functionaries, who use technical knowledge for the efficient implementation of values and ends determined by political leaders. In the technocratic model of scientized politics,

Systems analysis and especially decision theory do not merely make new technologies available, thus improving traditional instruments; they also rationalize choice as such by means of calculated strategies and automatic decision procedures. To this extent the objective necessity disclosed by specialists seems to assert itself over the leaders' decisions [p. 63].

In other words, technocracy comes into existence when a certain technical worldview comes to have political power. On the other hand, Habermas, like Bell, also sees in technocracy the unbounded progress of physical science and technology. Since scientific and technical progress has become the leading productive force in the capitalist economy, such progress in itself becomes an ideological force. To Habermas, therefore, technocracy as a political methodology and technocracy as the reflection of science-driven capitalist production need not be separated.

From respectively critical and acclamatory points of view, both Habermas and Bell see the rise of technocracy as the dominant political development in modern capitalism. Though only Bell's work is about the

United States, whereas Habermas writes about capitalism in general, the latter author specifies that the United States is prototypical in its reliance on scientifically informed decision making (Habermas, 1970: 65). So, it is all the more ironic that Lowi and colleagues' study of the siting of the world's largest atom smasher, the National Accelerator Laboratory near Chicago, reveals the operation of interest-group politics (Lowi et al., 1976).

In the promotion of big projects, as in the pork barrel politics seen in the distribution of research grants, scientific interest groups generally prefer to lobby for their grants and projects, rather than to have them distributed according to any rationalized method. The politics of big science in America may well differ sharply from the politics of technocratic methodologies.

Policy analysts and other methodologists do *sometimes* join hands with the lobbyists for big science. The methodologists always hope to share in the aura of the sciences. They associate themselves with, and want others to see in their work, the application of an irrefutable reason and a scientific precision to public affairs.

For their part, the promoters of big science and engineering also partake of methodological rationalism when it suits their interests. It is such intertwining of the two technocratic strands that is most often referred to as "technocratic" in studies of policymaking. Such was the alliance of technology promoters and expert analysts that proved an irresistible force in favor of the BART system in San Francisco (Zwerdling, 1974). Also, in the technocratic politics of international airports, believers in the unbounded growth of air service propped up their cause with forecasts and policy analyses of every description (Feldman and Milch, 1982).

More often, however, the advocates of science, technology, and R&D avoid policy analysis. R&D might be the least promising subject for quantitative methodology; no method does well in predicting R&D results, or in forecasting costs and benefits, and least of all in predicting consequences. However, the inadequacies of method do not disrupt its application to other areas of policymaking. In the world of big science—high-tech electronics, particle accelerators, space missions, atomic reactors, supercomputers—the promoters often shun analysis because it would acknowledge the abilities of outsiders to penetrate the arcana of the disciplines and would allow the outsiders to second-guess the committed professionals. Also, the big stick and big carrot have always been better persuaders than cost-benefit analyses. Free atomic energy and high



technology have been the carrot. Sputnik was the stick; now it is Tsukuba, the Japanese science city.

In the politicking surrounding the selection of the site for the National Accelerator Laboratory, the responsible officials at least nodded in the direction of analysis in that they drafted a list of sites and criteria for selection (Lowi et al., 1976). However, no one seems to have analyzed why an accelerator should be chosen over other science investments, nor to have tried a technical appraisal of its benefits. To the physicists, the location of the thing was open to debate, as long as their needs were met; but the value of the accelerator was not to be publicly debated. The community of particle physicists had determined for themselves that an accelerator was desirable, and then argued their case by linking it with defense, by putting it in the context of competition with the Soviet Union, and by capitalizing on the special prestige of particle physics since the atomic bomb.

Fears of retrogression and promises of glory cannot sell all programs, only those to which mysteries adhere. In the more pedestrian areas of policymaking, from street repair to elementary education and social welfare, methodological reasoning plays a role. Also, the methodological technocrats, for their part, do not necessarily ally themselves with technological determinism. The analyst of energy policies may well recommend conservation instead of power plants. So there is some logic to considering methodological technocracy a distinct political force, one that carries with it its own characteristic form of decision making, quantitative reason.

### THE RISE OF QUANTITATIVE REASON IN AMERICAN ADMINISTRATION

Interest-group liberalism and methodological technocracy both budded in the 1930s. Both reached their fullest flower in the 1960s. For quantitative methodology, its most significant early administrative application (if we ignore the long history of an earlier application, bookkeeping and accounting) occurred in the 1920s when Alfred P. Sloan (1964) reorganized General Motors as the first modern multidivisional company and instituted central financial coordination and budgetary analysis, borrowing experts from DuPont for the purpose. More such innovation took place in the automobile industry some years later, when Henry Ford II brought to his company the "whiz kids" from the World War Air Force

Statistical Program, among them Robert McNamara, to develop a precursor to PPB, the method of administrative planning, programming, and budgeting (Merewitz and Sosnick, 1971: 7).

In government, the preeminent technocratic innovation in the 1930s was FDR's National Resources Planning Board, whose members, social scientists, hoped to bring analytical rigor to policymaking (Greenberger et al., 1976: 31). By the mid-thirties, Irving Fischer and Kenneth Boulding had done work on the rate of return. The time had arrived for governmental cost-benefit analysis in the TVA and in the Flood Control Act of 1936, wherein, having recognized the various ravages of flooding on life, property, and commerce, the U.S. Congress determined that

the Federal Government should improve or participate in the improvement of navigable waters or their tributaries, including watersheds thereof, for flood-control purposes, if the benefits to whomsoever they may accrue are in excess of the estimated costs, and if the lives and social security of the people are otherwise adversely affected [Flood Control Act of June 22, 1936].

What is particularly surprising about this passage is that it appears in rivers and harbors legislation, traditionally the most notorious kind of pork barrel policy, where one would least expect to find such inklings of means-ends rationalism.

The cauldron of so many other momentous changes, World War II, also engendered the greatest advances in administrative technique. The Controlled Materials Plan of 1942 used program budgeting to allocate scarce resources to programs of the war effort (Merewitz and Sosnick, 1971: 8). Operational research in England proved itself in setting the size of trans-Atlantic convoys to minimize loss to U-boats. Ever since, it has also served to optimize the numbers of planes, and bombs per plane, in bombing sorties for maximal destructive effect (Wilson, 1968). After the war, OR found its way to the British mining sector, and spread to involuntary control, health administration, and transportation planning on both sides of the Atlantic.

The father of input-output analysis, Wassily Leontief, spent part of the war developing such models of the American economy for the Bureau of Labor Statistics, and continued researching defense materials requirements for the air force until 1953, when the Eisenhower administration cut off aid for his projects, purportedly to avoid raising fears of national economic planning (Greenberger et al., 1976: 91). At RAND in the 1950s,

economists and operations researchers, working under Charles Hitch, developed the methods of systems analysis and modern program budgeting. Also at the end of the decade, the navy invented the project management technique called PERT to streamline the administration of the Polaris missile research (Sapolsky, 1972).

In general, however, administrative application of such techniques had a hiatus in the fifties, their development continuing mainly in the universities. For example, national macroeconomic modeling went on at the Universities of Pennsylvania and Michigan. It was not until the Kennedy administration that the economists James Tobin, Robert Solow, and Kenneth Arrow entered federal government, making it their business to consult the macroeconomic models of the universities and private firms. The Wharton Model, which started producing quarterly forecasts in 1963, was soon taken over by the Office of Business Economics of the Department of Commerce (Greenberger et al., 1976: 202-205).

The jubilee years for administrative methodology came in the early 1960s, at around the same time as for interest-group politics. John F. Kennedy's commencement address at Yale in 1962, which Lowi takes as the watershed moment in interest-group politics, can also be read as a call for technocratic politics. Kennedy said that

old sweeping issues have largely disappeared. The central domestic problems in our times are more subtle and less simple. They relate not to basic clashes of philosophy or ideology, but to ways and means of reaching common goals—to research for sophisticated solutions to complex and obstinate problems [Lowi, 1979: 275].

According to Straussman's (1978) study of technocratic politics, Daniel Bell's end-of-ideology school sees the same speech as exemplifying the debut of a "politics of rationalism, science, and technology" (p. 135). Such ideas might not have sat well with those who preferred to have policies emanate from the interplay of pressure groups through the legislative process.

What is particularly telling about this juncture in American politics is how the Kennedy administration chose *not* to manage military R&D. Around the turn of the decade, a number of academic articles had appeared by R. R. Nelson and by Klein and Meckling advocating a disjointed-incrementalist approach to research management. Recognizing that this view converged with their own, Hirschman and Lindblom (1962) described it as follows:

They allege that development is both less costly and more speedy when marked by duplication, "confusion," and lack of communication among people working along parallel lines. Perhaps more fundamentally, they argue against too strenuous attempts at integrating various subsystems into a well articulated, harmonious, general system; they rather advocate the full exploitation of fruitful ideas regardless of their "fit" to some preconceived pattern of specifications [p. 213].

In 1961, R. R. Nelson wrote:

The possibility of acquiring significantly improved estimates at relatively low costs suggests that it may be economical *not* to choose one design or contractor for an R&D job on the basis of first estimates, which experience has shown to be notoriously unreliable, but rather to initiate parallel development efforts, cutting down the list of competing projects as estimates improve. The best decision to make on the basis of some information may be to delay a final decision until more information is obtained [cited in Mowbery, 1983: 38].

For interest-group administration, these would seem the ideal invitation for disjointed incrementalism in military R&D. Yet in 1961, Robert McNamara, secretary of defense by then, had Charles J. Hitch, chief economist at RAND, become the comptroller of the Defense Department. In the same year, Defense became the first agency to introduce PPB. With it, Hitch and his staff hoped to purchase cost-effective national security.

In the planning stage of PPB, the administrator specifies objectives to be achieved and the alternative "systems," generally weapons systems, that might achieve them. With a systems model, he or she then links the chosen weapon with expected outcomes. "These policy outcomes are then ranked in order of preference according to specific decision criteria" (Greenberger et al., 1976: 33). This was quantitative means-ends reasoning with a vengeance: It was carried even further in 1963 with McNamara's concept of Total Package Procurement.

Systems analysts became the dominant power in the Defense Department, to the chagrin of old timers, like Rickover, whose professed belief was in military intuition, experience, and, of course, courage (Wilson, 1968: 109-110). However, DOD was not to be the only arena for quantitative administration. In 1962, the Department of Agriculture, the prototypical interest-group-dominated agency, announced that zero-based budgeting would be introduced by 1964.

Later, the Department of Health, Education and Welfare and the Department of the Interior went down the same path. In 1967, Lyndon Johnson announced that PPB would spread to all federal agencies. In addition, just a year before, newly elected Governor Reagan of California endorsed a programming and budgeting program, to be installed under the supervision of his director of finance, Caspar Weinberger (Merewitz and Sosnick, 1971: 4). Only toward the end of the decade did the Office of Management and Budget finally scrap PPB.

By then every major federal agency had its own policy researchers and analysts. Even in the agency that exemplified extreme administrative discretion, that is, in the Office of Economic Opportunity, where reliance on local constituencies in decision making was the order of the day, there was an operating Office of Research, Plans, Programs and Evaluations. It was the office responsible for conducting initial research on the Family Assistance Plan, Nixon's unsuccessful attempt to introduce a guaranteed-incomes policy. In addition, when he came into office in 1966, John Lindsay, the liberal New York mayor, invited RAND to establish a consulting service to city agencies to help him streamline the workings of city government (Greenberger et al., 1976: 37-38, 238). No doubt, Lindsay's purpose was partly to use analysis to fight the entrenched bureaucratic interests. Yet the impression from all this remains that means-ends rationalism had come to have a significant role in the administration of the liberal state.

### **THE THEORISTS OF METHODOLOGY AND PLURALISM REACT TO EACH OTHER**

If incremental and quantitative reasoning managed to coexist in the liberal state, the theoreticians of pluralism and methodology called no truce. On the side of the pluralists, Dahl and Lindblom wrote as early as 1953 that

someone must control those who run the calculations and the machines. Someone must control the controllers, etc. At every point there would be opportunities to feed into the calculator one's own preferences. Doubtless, pressure groups would organize for just such a purpose [cited in Brewer, 1973: 13].

Again in 1962, when Hirschman and Lindblom reviewed converging ideas on incremental decision making, they stated that

there is . . . agreement that the exploration of alternative uses of resources can be overdone, and that attempts at introducing certain maximizing techniques (trade-offs among inputs or among outputs, cost-benefit calculations) and co-ordinating techniques will be ineffective and quite possibly harmful in some situations [p. 213].

But the most consistently scathing pluralist critic of methodological reasoning has been Aaron Wildavsky. In *Implementation*, Majone and Wildavsky write that an administrative organization defines problems only in the midst of finding out the solutions of which it is capable. The "techniques can take over," they write (1984: 176), only when problems are framed as "puzzles for which unique solutions exist."

If the pluralists were less than enthusiastic about the potentials of analytical methods, the quantifiers, for their part, have returned the compliment. Edward Banfield, once a spokesman for means-ends rationalism in planning, has termed everything other than such planning as "opportunistic decision making." Rather than most organizations laying out courses of action that lead to attainment of their ends, he has complained, they just "extemporize" (1957: 35, but contrast his more recent opinion in his paper in Goldwin, 1980).

Introductions to countless textbooks on policy analysis, management science, and statistics extol the virtues of rigor, objectivity, and precision, at the expense of mere politics. To many rationalist writers, politics raises the main obstacle to systematic rationalism. Daniel Bell (1973), for example, writes that "rationality, as an end, finds itself confronted by the cantankerousness of politics, the politics of interest and the politics of passion" (p. 366).

If the purists of pluralism and methodology have so little sympathy for each other's cause, and if the pure, principled versions of each form of decision making are indeed mutually incompatible, then one must wonder how it is that each could plausibly be presented as a universally usable technique for administrative choice. One should also ask how the paradigms managed to get on with each other over the time that they both grew prominent in American politics. In addition, in view of Lowi's observation that interest-group-directed, incremental policymaking produced bad policy, one wonders how methodological policymaking fared over the same period.

### HOW THE PARADIGMS CAME TO SEEM PLAUSIBLE: STRUCTURE AND ACTION IN POLICYMAKING

Both incrementalism and technical methodology came to seem plausible principles for administrative action in the liberal era because each corresponded to structural transformations then occurring in American society. Incremental reasoning proved itself a usable principle for administrative action because, in the liberal state, the structure of mobilized interest groups and the political penetration of administrative agencies made this form of decision making sensible and appropriate. In the same state, methodologies of calculated rationalism prospered when public affairs took on the structural character of quantifiability.

In the post-World War II liberal era, while interest-group politics expanded, economic measurement and standardized social classifications also proliferated. Ever more rationalized markets and administrations emitted prices, censuses, statistics, indexes, and other requisites of the quantitative understanding. Macroeconomic accounts of the economy were now well in place, the census expanded the number of its questions, and price and stock indexes appeared daily. IQ tests, numerical grading, and standardized educational exams entered every school. Peoples' opinions came under the purview of pollsters.

Moreover, citizens' ascribed statuses—ethnicity, marital status, income level, condition of infirmity—came to be placed in standardized categories. Working, voting, purchasing, becoming sick, becoming impoverished, committing a crime, being a juvenile delinquent—all kinds of human activities and identities came to have meanings that were institutionalized, fixed, standard, and therefore amenable to quantitative analysis.

As polity was becoming more numerical, it was also becoming more systemic. Commerce on a national scale meant that we lost roads and trains in favor of transportation systems. The rise of municipal sewers saw the demise of cesspools and drains in favor of sewer systems. Wanting to improve their interconnections with their subunits, multidivisional corporations and government bureaucracies discovered and enhanced the schematic, systemic logic of their internal administrations. Methods long known to mathematicians could now be elaborated and directed at a social world that had become so structured as to become susceptible to quantitative knowledge.

In this systematized and quantifiable world, where technocracy was becoming a prominent form of domination, methodological reasoning came to seem the appropriate and sensible principle for administrative action. In this world, it makes sense to follow the methodologist's means-ends rationalism: Find clear objectives, figure out alternative ways of reaching them, implement, and then, maybe, evaluate. Herbert Simon (1960) gave this sequence its briefest expression as intelligence, design, and choice. However, advocates of methodology universally urge us to take this advice a significant step further, to make the ends and alternative means commensurable and reconcilable by casting them in common quantitative units.

Proponents of pluralism, and the associated form of decision making, disjointed incrementalism, advise us differently: Assess your capabilities and powers, recall the agreements you have negotiated with others, choose the course of action in which you are likely to be successful, and always be flexible and responsive to the changing pressures of other actors (Pressman and Wildavsky, 1984). This advice, too, seems quite reasonable within structures of interest-group domination. However, pluralist thought takes its advice a momentous step further by holding that feasible policies emerge only through the interplay of self-seeking interest groups; an attempt at achieving given ends through a comprehensive overview of alternatives is quite futile.

As practitioners of methodology and incrementalism pursue each to its logical extremes, they exceed the paradigm's applicability to the structural conditions that originally made it efficacious. Inappropriately or excessively applied, the paradigms produce bad policy. Furthermore, in methodology's call for an overview of alternatives and the choice of the best on its merits, methodology logically contradicts incrementalism. In their formal ideological contexts, their principles of decision making seem incompatible.

### **HOW INCREMENTALISM AND METHODOLOGY COEXISTED**

Weber once wrote that concern about internal consistency of worldviews is the province of intellectuals. Although administrators may not be intellectuals, to the extent that they worry about how to make proper decisions about matters of decision-making principle they are grappling



with an intellectual problem. So they, too, must respond to the problem of intellectual consistency.

When methodological means are used to prop up or compensate for incrementalist conduct, one way an organization copes with the matter is by "decoupling," whereby discordant organizational procedures are detached from each other (Meyer and Rowan, 1977: 2). The interest-group-oriented organization decouples methodological work, while still retaining it in the organization, by relegating it to marginal organizational divisions, such as offices of policy analysis, or to consultants.

Another explanation would focus not on organizational structure but rather on the intellectual means of accommodating incompatible ideas. This is what Karl Mannheim does. He (1936) writes:

The fact that ideologically determined conduct always falls short of its intended meaning may present itself in several forms—and corresponding to those forms there is a whole series of possible types of ideological mentality [p. 195].

Mannheim specifies three types of accommodations to logically contrary ideas. When conforming to one type in the series, the administrative actor fails to become aware of the incompatibility of his or her ideas and conduct because of the whole body of historically given axioms underlying his or her thought. In the second type, "cant mentality," the actor has the intellectual capability of uncovering this incongruity, but fails to have such insights because they violate his or her vital emotional interests. The third, and possibly the most relevant here, is conscious deception, where the ideology is a purposeful lie (1936: 195).

For the methodologist in the interest-group-oriented administration, the requirement that his or her assumptions and calculations be adjusted to partisan requirements must indeed seem to contradict rationalist methodological principles. Analogously, for the politically aware and pluralistically inclined policymaker, the demands for technical analysis preceding decisions might seem an onerous and hypocritical burden. If one conducted participant observation of the roles of technical methodology in administration, the methodologist's response to this dilemma would be one of the fascinating questions.

A reading of case studies reveals that indeed these two modes of administrative thought have tense relations with each other, this tension sometimes overtly expressed by the historical actors themselves, or by those who study them, but left unsaid at other times. The studies also

demonstrate some of the strategies by which administrative actors cope with this tension, strategies in which methodology is used as a political weapon, becomes overtly partisan, serves for post-facto justification, or has a semiotic function.

#### WHERE ANALYSIS IS ABSENT

In national urban policy, the tension inevitably rears itself. In a study of the Chicago Housing Authority's implementation of the National Housing Act soon after World War II, the authors observed a nearly complete absence of methodologically sophisticated inquiry. Here, methodology played a role only in the minds of the authors, its absence serving to explain to them the less than desirable outcomes of this mid-century housing policy. Indignation at such examples of merely political policy decisions led one of them, Meyerson, to his seminal address to the American Institute of Planners in 1956, and the "call to arms of comprehensive, analytical planning efforts" (Brewer, 1973: 104).

#### QUANTITATIVE METHOD AS A POLITICAL WEAPON

In federal river and harbor projects, cost-benefit analysis has persisted in the federal government since the mid-thirties, always remaining controversial but rarely being declared a complete failure. CBA does not intrude nearly as much into government affairs as do program budgeting and simulation modeling. In the rare event that a congressperson's pet project is deemed by the Corps of Engineers to have a cost-benefit ratio of less than 1, Congress rejects it. However, as Ferejohn points out, the discount rate, which determines the final outcome of the analysis, is a malleable enough concept always to produce a favorable outcome, except in the most disastrously poor projects. So, if the cost-benefit balance is truly so bad, the legislators are prepared to forego a piece from the pork barrel; others can always be found (Ferejohn, 1974: chaps. 1, 2). In addition, the discount rate can give Congress subtle leverage over agencies. For example, Congress allows the Corps of Engineers to use a lower discount rate than it allows to other Defense Department agencies or to the Bureau of Reclamation (p. 233). Being amenable to politics, cost-benefit analysis succeeds in it.

## PARTISAN METHODOLOGY

In their account of controversies over the siting of eight international airports, two in the United States and six abroad, Feldman and Milch (1982) observe the plainly opportunistic use of methodology. They observe that

over one hundred reports were reviewed in connection with this research, and all but one were consistent with the preferences of the study's sponsor. Experts employed by proponents of development produced reports advocating growth and expansion, while experts engaged in public service agencies and citizen groups opposing development warned of damage to people, property and the environment [p. 141].

Where one central authority had comprehensive power over airport development, it succeeded in having rational plans lead to their chosen airport design. When authority was fragmented, in London, for example, competing agencies commissioned their own analyses, hardening respective objectives, and eroding possibilities for compromise. In systems of fragmented authority, where interest groups reigned, the airport projects became paralyzed (p. 226).

Offering the term *model advocacy* for the phenomenon, some pluralist thinkers openly espouse partisan methodology (Greenberger et al., 1976). However, the sincere methodologist should find this an unpleasant compromise. He or she would have to be naive, or uncomfortable in such a position, or cynical. After all, the adaptation of methodology to partisan viewpoints contradicts the self-proclaimed objectivism of all rational analysis.

## POST-FACTO JUSTIFICATION

Elsewhere, analysis serves as a post-facto justification for administrative decisions. Such is the case at one point in Pressman and Wildavsky's account of the Economic Development Administration in Oakland, California. The EDA administrators, having received somewhat poor-quality applications for business loans, formulated a number of permissive criteria for their evaluation, presumably to ensure that decisions would not seem arbitrary (Pressman and Wildavsky, 1984: 78).

### THE SEMIOTICS OF METHODOLOGY

An especially nice illustration of another function of analysis comes from Sapolsky's study of the U.S. Navy Office for Special Projects' Polaris missile development of the early 1960s. It was this R&D program that first implemented the PERT method of critical path scheduling and advertised it to the world as a new means of scientific management. Though the office actively promoted PERT to outsiders, Sapolsky (1972: 107ff.) found that the project's staff officers did not use the method, preferring to contact personal acquaintances directly to find out about progress in other plants and laboratories. Ignored within the organization, the technique presented to outsiders an image of sophisticated and capable management, and protected the program from interference by navy comptrollers and auditors. Sapolsky tells us that the Special Projects Office "much to its own discomfort is now often required by fiat and reputation to apply management practices that it would happily abandon for the sake of efficiency" (p. 130).

In a more recent study of San Diego's experience with a Municipal Impact Evaluation System, a complex model used to appraise urban land development, the author found that the model served the mayor's administration by furthering "the symbolic image of rational management." The computer analysis promoted a mystique, an aura, of expertise (Dutton, 1982: 86-87).

### HOW METHODOLOGY FARED UNDER LIBERALISM

According to Theodore Lowi (1979), the interest-group-dominated, disjointed policymaking of the liberal era left a record of ineffectual policies: Agencies could not plan, policies were reduced to giveaways and patronage, and administration was made immobile. If pluralist-inspired policies fared poorly, did methodologically rationalized policies do any better?

An obstacle to our answering the question is that nearly no one writes histories or ethnographies of the use of quantification in the bureaucracy. Perhaps the only book-length study that comes close to doing so is Sapolsky's (1972) work on the Polaris Missile Project. However, here and there an occasional study provides evidence that methodological ambitions often fall short of their aims.

One study looks at the two most important programs of the 150 community renewal programs implemented between 1965 and the early 1970s. These are Pittsburgh and San Francisco, which sought urban reprieve through large-scale modeling. Careful scrutiny soon exposed rash assumptions, mind-boggling complexity in formulations, and an inability to communicate with decision makers, among other failings (Brewer, 1973). The story of PPB and other systems methods in administration has also been one of failure; descriptions of the PPB technique in practice frequently tell of its futility or inadequacy (as in Lynn, 1980).

The experience was similar in federal attempts to evaluate the Comprehensive Employment and Training Act (CETA) public service employment program. A year after the program started, and with federal money already flooding to local governments, CETA analysts could not agree how to evaluate the program. As one said, "We still have the basic problem that until we develop a working model of the CETA system, it will not be possible to determine the appropriate methodology and inputs and outputs" (quoted in Nelson, 1979: 55). Reflecting on the push and pull of local wrangling over CETA funds, one might start wondering about the methodologically inconceivable—whether any "system" existed at all.

A critic of interest-group liberalism might be tempted to attribute the shortcomings of methodology to liberal politics: The lack of formally legislated objectives or criteria of performance, and the absence of a centrally disciplined administration, stand in the way of effective use of methodology. Before judging the matter, let us briefly test it by looking at two examples of methodology under more centralized administration.

The first comes from Feldman and Milch's (1982) comparative study of airport controversies. In these, let us recall, the airports planned in fragmented systems of authority failed to materialize. Those planned in systems of concentrated authority

denied the participation of official and unofficial competitors and plaintiffs. New airports developed with little recourse to informed criticism proved to be overbuilt, underutilized, irrationally planned, incoherent for their airport network, and/or ill-placed for satellite economic development [p. 226].

Let us pass without comment to the second example, a reflection on American administration of the Vietnam war. In the federal government of the 1960s, the Defense Department shaped by McNamara and Hitch may have come the closest to being a centrally rationalized government agency. In addition, it was not going to invite the Vietnamese to maximum

feasible participation in its policies. Looking back on the war, a senior navy official, speaking about the role of systems analysis in it, could declare to the American Enterprise Institute in 1980 that "Vietnam . . . is a pretty good example of a war fought according to the principles of marginal analysis," and then, again answering a question from the audience, could make this extraordinary disclaimer: "I do not by any means want to lay the responsibility for the failure of the Vietnam war at the feet of the systems analysts" (Woolsey, 1980: 16, 20).

Though these two examples by no means conclude the matter, they do suggest that interest-group politics was not the sole cause of the failures of analytical method. There was also the more general cause that structural conditions only partially corresponded to those that would have allowed either methodology or incrementalism to be significantly efficacious. History violated the structural requirements of the paradigms.

### **CONCLUSION: DECISION PARADIGMS AS IMPLICATED IN HISTORY**

In the liberal era, incrementalism proves to be an inadequate or misleading principle for policymaking, because social conditions patently do not correspond to those put forward by the pluralists. Though a development of interest groups does indeed accompany the rise of pluralist ideology, not all interests come to be adequately represented in the process, nor can the operations of the state be adequately conceived as responses to merely its own interests. Furthermore, the structural characteristics of liberal society—the increasingly enumerable and systemic character of social affairs—allow decision makers to use new methodologies for supplementing partisan viewpoints. In addition, as always, the operations of law, generally accepted procedure, and public morality have generalized effects that pluralism cannot adequately acknowledge.

Methodology proves inadequate for the analogous reason that liberal society only takes on appropriate structural characteristics to a partial and limited extent. Social activities do become more classifiable, enumerable, and systemically interrelated, but not to a degree that would justify heavy reliance on quantitative method in public decisions.

Habermas (1973) also asks us to think about technical rationality in historical terms. He writes that

the innocent partisanship for formal rationality reveals, in the anticipated concept of a cybernetically self-regulated organization of society, a tacit philosophy of history. This is based on the questionable thesis that human beings control their destinies rationally to the degree to which social techniques are applied, and that human destiny is capable of being rationally guided in proportion to the extent of cybernetic control and the application of these techniques [cited in McCarthy, 1978: 11].

Although agreeing with Habermas that technical rationality incorporates an implicit view of history, this article has further argued that such reasoning is effective in public affairs only to the extent that public life is technocratically transformed. Methodological reasoning as well as incrementalism remain misleading paradigms as long as their proponents (the quantitative rationalists and the pluralists) persist in clothing their viewpoints in universalistic terms and in ignoring the historically constrained character of the paradigms.

My argument, in short, illustrates Anthony Giddens's (1976) observation on the duality of structure. He writes that the existence of structure, such as language, requires individual speech acts. Those speech acts in turn make possible the structures of language. Analogously, incremental action makes possible and receives its efficacy from the structure of interest-group pluralism. In addition, methodological reasoning owes its effectiveness to, and reinforces, the structural transformations accompanying the rise of technocracy.

Since methodology reproduces the technocratic structures that make it possible, it cannot be accurately seen as its proponents present it—as an objective principle for decision making. Illustrating Giddens's concept of *autopoiesis*, both quantitative methodology and disjointed incrementalism recursively participate in the structures that make them possible; they are implicated in history.

Since history never fully corresponds to the requisites of rationalist paradigms, these paradigms provide misleading guidance when presented as universal principles for public decisions. One ought to note, in conclusion, that these paradigms are not restricted to methodology and incrementalism, but include others, each of which would also require corresponding structural conditions for its efficacy. For example, proceduralism, which promotes policymaking according to rules and precedents, gains its plausibility within structures of bureaucratic domination.

To make decisions more effectively than they would through any of these rationalist paradigms, policymakers ought to view broadly the

historically bound character of all decision-making conventions and recognize that the choice of conventions is itself a subject for debate and reflection.

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A model of the evolutionary process of developing social partnerships is presented. The model focuses on the interorganizational context out of which partnerships originate and proposes that six types of forces in the environment foster interaction. Next, processes of issue crystallization, coalition building, and purpose formulation, which originate in an "initiation" stage and focus the content of the partnership, are described. The evolutionary stages of social partnership are identified as (1) a context of forces generating a recognition of the need/use of partnership, (2) initiation of the partnership (encompassing issue crystallization, coalition building, and purpose formulation), (3) establishment, and (4) maturity. Processes are seen to be repetitive and cyclical, and purpose in successful partnerships tends to broaden over time. A case example is used to illustrate the model.

## UNDERSTANDING SOCIAL PARTNERSHIPS *An Evolutionary Model of Partnership Organizations*

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**The increasing complexity and turbulence** in society, combined with very large and powerful organizations, has inevitably resulted in a proliferation of less familiar and more complex interactive organizations, which Astley and Fombrun (1983) have recently termed *collectivities*. Among these are network organizations (Miles and Snow, 1986; Drucker, 1980), corporate joint ventures (Harrigan, 1984), social networks (Austrom and Lad, 1986), trade and so-called peak associations (Post and Lad, 1984), joint or special commissions, and social partnerships.

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One of the more unusual forms of collectivities is the social partnership. These partnerships, the focus of this article, are arrangements working toward some common end among otherwise independent organizations. The term *social partnerships* is used here, rather than the more common public-private partnership, to represent their status accurately as social problem-solving mechanisms among organizations from more than one economic sector. Examples include economic development efforts such as those that revived downtown Baltimore, the interactions between corporations and universities for technological innovations in Silicon Valley, and localized efforts in which schools or public-sector training agencies provide training for jobs needed by local enterprises.

Organizations termed social or public-private partnerships range from those in which a single public-sector and a single private-sector organization interact briefly around a common problem, to those in which multiple organizations from each sector are represented in an ongoing enterprise that is set up as a separate organization. Although different life cycles may be expected from these vastly different types, they have common roots in the interaction of representatives of the public and private sector and in their intended impact on some societal problem. Although such social partnerships are far from new (see, e.g., Fosler and Berger, 1982), current trends toward reduction in government spending on social programs have focused increasing public attention on them as potential mechanisms for solving social ills. Indeed, many scholars expect them to become even more prominent in the future (see, for example, Brooks et al., 1984; Bower, 1983; Ouchi, 1984; Austrom and Lad, 1986).

Despite the popularity of social partnerships, little has been done to explain the processes that take place when such interactions occur. Even joint efforts among organizations with similar characteristics and goals, such as merging corporations or joint ventures (see Jemison and Sitkin, 1986), have been given short shrift until quite recently. Still less is known about such interactions when they occur among organizations from different economic sectors, as do social partnerships. Notable exceptions to this dearth of research are found in the pioneering efforts of Gricar and Brown (1981), McCann (1983), and Gray (1985), and in the theoretical developments of Astley and Fombrun (1983) and Astley (1984).

This article will elaborate an evolutionary model for social partnerships. It will begin with a discussion of the interorganizational context in which social partnerships originate, then assess the substantive or content factors on which such partnerships focus, and progress to a discussion of

the developmental process attending their evolution. The model will be illustrated with an example drawn from the empirical research.

## THE STUDY

The model developed in this article is based on a study of five social partnerships, a review of existing case studies, and integration of the literature available on social (public-private) partnership (e.g., Fosler and Berger, 1982; Melchior, 1984; Gricar and Brown, 1981; Brown and Wilson, 1984; Massachusetts Task Force on Private Sector Initiatives, 1983; Committee for Economic Development [CED], 1982), as well as interorganizational relations. An initial evolutionary model was introduced then revised following development of the five case studies of partnerships generated in one state under the auspices of the Job Training Partnership Act. In each of the five research sites, key participants from the public and private sectors were interviewed about the development of their partnership, the opportunities they envisioned, and the problems and developmental stages they had faced over the life of the partnership. The researcher drafted developmental histories, which were then shown to key individuals at each research site, who were asked for feedback on their accuracy. These case studies were then revised as necessary and used as the basis of analysis of the developmental processes.

## AN EVOLUTIONARY MODEL

The evolution of social partnerships begins in a context of environmental forces that cause a partnership to be initiated. Concurrent processes during this initiation stage evolve into a programmatic thrust during the next stage, termed establishment. The establishment stage is followed by a stage of maturity, from which the agenda of successful partnerships tends to broaden significantly.

## THE CONTEXT OF SOCIAL PARTNERSHIPS

Organizations that are potential partners exist in a broad societal environment that exerts many forces on them. Some of these forces are

competitive, technological, and task related, others are political, sociocultural, or economic. Many of the forces work against cooperative interaction among independent organizations, particularly economic and competitive forces, and sometimes political forces. Other forces exist to draw partners together when social concerns or major problems develop. These forces generate interaction despite the lack of structured hierarchies (Brown, 1984; Litwak and Hylton, 1962) and the presence of competition.

Six specific types of environmental forces or pressures that result in interaction of potential partners can be identified. One is mandate or the legal system (see Raelin, 1980), for example, the Job Training Partnership Act (JTPA), which established social partnerships for the purpose of employment training for the disadvantaged. A second source of pressures is existing networks, which introduce members of a potential partnership to each other and to the issues on which they may be mutually dependent or perceive desired benefits. Much network research has been done on issues such as centrality, interdependence, power, and resource dependence (see, e.g., Laumann et al., 1978; Perrucci and Pilisuk, 1970; Mintz and Schwartz, 1981; Useem, 1984; Provan et al., 1980), although little has been done on how social partnerships emerge from networks. There is some evidence to suggest that needs identified by organizational overlaps surfacing in networks can both focus on problem resolution (e.g., Austrom and Lad, 1986) and spawn new organizations such as trade or professional associations, themselves networks (Marrett, 1980). Indeed, networks can themselves prove to be helpful sources of critical resources (Wiewel and Hunter, 1985). A third source of pressure to interact derives from third-party organizations or brokers, such as the Bay State Skills Corporation in Massachusetts. BSSC is a quasi-public granting agency that "seeds" partnerships. The primary purpose of such brokers is to provide a forum or create opportunity for interaction (see, e.g., Trist, 1983; Thompson, 1974; Litwak and Hylton, 1962).

Analysis of several case studies (i.e., Gricar and Brown, 1981; Melchior, 1984; Fosler and Berger, 1982) suggests two other sources of pressure for interaction, each of which may be the result of public pressure for action. One is common vision or a common understanding that exists in a community about an issue and the way it should be handled. Common vision may encompass negative situations that call for solution or positive pressures for better performance. The other source of pressure is crisis, which directs the energies of potential partners toward a specific problem.

The sixth source of pressure for interaction—visionary leadership, which is embodied in an individual as opposed to a group—is suggested

primarily by the popular literature on social partnership (e.g., CED, 1982; Massachusetts Task Force on Private Sector Initiatives, 1983). A "champion" of the partnership idea is often necessary to get the partnership moving or to convene the initial meeting (Gray, 1985). When there is a "vision" of what the partnership might accomplish that is championed by an individual or group, it is easier to draw in partners.

These six environmental forces structure the environment and form the context out of which the social partnership and its decision-making apparatus (e.g., Simon, 1976) begin to take shape. Not all forces are necessary in every partnership, although at least one is necessary. The impact of the environmental forces is tenuous in its ability to draw and keep organizations and their representatives together. As a result, the partnerships evolving out of these forces are inherently fragile.

#### CONTENT OF SOCIAL PARTNERSHIPS

Issues abound around which partnerships might develop. The fact that the relationships in such partnerships have been described as fragile, however, suggests that not all issues will lend themselves to social partnership nor will all organizations in an environment necessarily become involved. Three concurrent processes that are both interactive and cyclical can be identified at the start of a partnership: issue crystallization, coalition building, and purpose formulation. Together these processes determine what issue or focus will enable a successful partnership to be built. They are continuous processes that, because they are iterative, constantly influence the strategic thrust and programmatic developments of the partnership.

Although the processes are concurrent, they are usually sequenced in the following way. Issues come to the awareness of some individual or group(s) and begin to crystallize. A coalition is built by the convener (Gray, 1985), who establishes a forum in which potential partners can meet. In this partnership forum, the formulation of purpose begins. The issue continues to crystallize as the purpose is developed and the coalition builds, so that the processes continue interactively and iteratively. These processes, which develop from the environmental forces identified above, will be described more fully below.

## Issue Crystallization

Issue crystallization describes a process of shaping or forming an issue so that understanding can be built around it and action can be taken. The environmental forces described above focus attention on a specific issue, say unemployment for the disadvantaged or problems in education, that causes an actor or set of actors to want to take action. Three characteristics, to be described below, are necessary for an issue to be amenable to solution through partnership.

Strategic contingencies theorists posit that it is the *interdependence* among organizations that causes them to engage in joint efforts (Pfeffer and Salancik, 1978; Provan et al., 1980; Hinings et al., 1974; Hickson et al., 1971; Laumann et al., 1978; Schmidt and Kochan, 1977). This is true for social partnerships despite the fact that there are costs in such interactions within each partner organization and that each partner may have to relinquish some of its autonomy to become a partner. Despite the importance of being mutually dependent, interdependence alone may not be enough to establish a partnership. The perception that there are *benefits* to be derived by each of the partners, either short-term or longer-term, is also necessary. Further, as Gray (1985) indicates, these benefits must outweigh whatever costs are involved in participation. Even if organizations are interdependent for resolving some issue and there are some benefits to be derived from working together, however, there is little likelihood of interaction through partnership unless the issue is important or *salient* to potential partners (see Preston and Post, 1975; Pfeffer and Salancik, 1978). Partners are unlikely to remain interested in an issue of little salience.

## Coalition Building

The second process critical to the establishment of a social partnership involves incorporating the appropriate and relevant actors (Gray, 1985; Freeman, 1984), and balancing the power among them (see Brown, 1984) in a process of coalition building. Social partnership lies outside the traditional context of organizing (Gray, 1985), in a field with no inherent authority structure (Litwak and Hylton, 1962) to help organization rela-

tionships. The success of the partnership development process is related to the continuity of relationships (Preston and Post, 1975) among organizational actors or the historical continuity of the organization because of the need to build and maintain working relationships among members. Those organizations or groups that have a "stake" in the partnership (e.g., Gray, 1985) must be included. In addition, consideration must be given to the level from which partner representatives are to be drawn. One key to successful partnerships is having individuals present in the partnership forum who can make on-the-spot decisions. This is critical since the lack of structured hierarchy makes it imperative that participants be able to commit their organizations to action without the delays of having to seek permission.

Gaining top management commitment, and even participation, is important to the coalition-building process, particularly if the activities of the partnership are to go beyond a single organization's domain (see Ackerman and Bower, 1976; Preston and Post, 1975; Murray, 1976). One critical aspect of building a coalition therefore is identifying the "convener" (Gray, 1985), an individual or group with enough status and authority to bring potential partners, who are in decision-making capacities, together in the partnership forum.

Social partnerships bring together individuals from public- and private-sector organizations who have different ideologies or values (Rainey, 1983; Ring and Perry, 1985). Such differences can upset the "equilibrium" (Benson, 1975) of the organization if they are not resolved. Strongly held stereotypes may exist in the social partnership (see Sebring, 1977; Gray, 1985) that inhibit productive interaction. For example, private-sector members may perceive public-sector members to be lazy and unproductive, whereas public-sector participants may perceive their private-sector counterparts to be greedy and socially irresponsible. An effort aimed at breaking down any existing stereotypes or lack of trust among participants is often needed, although sometimes this stereotype breaking occurs as a result of the time-consuming, interactive process of working (and occasionally playing) together or building a successful program together.

The issues involved in social partnerships are frequently unfamiliar to some participants (see Sebring, 1977, for an example). Private-sector representatives may know little about job training for the disadvantaged, for example. As a result, the participants also need to progress through an educational process that involves informing them about the issue(s) on



which they are expected to work. Continuity becomes important in this regard, since this educational process must be repeated when new members are brought into the partnership.

During coalition building, in sum, partners must (1) bring together the "right" organizations or those the domains of which (Thompson, 1967) overlap around the problem, (2) bring together the "right" level of representatives from those organizations to ensure organizational commitment to the partnership as well as the ability to act "on the spot," and (3) educate those representatives (and their organizations) about (a) the issue at hand and (b) the norms, values, and behaviors of other partner organizations. The joint processes of issue crystallization and coalition building (or, as McCann [1983] calls these combined processes, problem setting) overlap into the third process, purpose formulation, once the partnership forum has been convened. It is through formulation of purpose that the goals and direction of the partnership begin to take shape.

### **Purpose Formulation**

Purpose formulation or direction setting (McCann, 1983) involves determining what the scope or degree of domain overlap for partners will actually be, a process of building domain consensus (Levine and White, 1961) and establishing goals for the partnership. Partner domains encompass dimensions of their activities relevant to the partnership. Domains overlap primarily around areas of interdependence (e.g., Levine and White, 1961; Preston and Post, 1975). In the first phases of purpose formulation, the purpose may be articulated along lines dictated by the issue that has brought together coalition members in the first place.

Lack of initial understanding or agreement about the issue and its resolution, combined with the developmental process through which the coalition is going, may mean that in partnerships attempting to address broader societal interests the purpose is itself emergent, and that a constantly broadening agenda evolves. That emergent purpose may, furthermore, change over time as efforts are made to deal with the issue or, indeed, as the initiating issue is resolved and either another takes its place or the partnership dies. Partnerships focused on issues more limited in scope more readily evolve their purposes and stick to them, ending their existence when the purpose is accomplished.

## STAGES OF SOCIAL PARTNERSHIP EVOLUTION

Numerous authors have identified the developmental stages in the life of organizations (see, e.g., Quinn and Cameron, 1983; Kimberly et al., 1980; Romanelli and Tushman, 1983; Tushman and Romanelli, 1985; Miller, 1982; Miller and Friesen, 1980). The life-cycle concept, with its implicit notion of organizational death, appears to be particularly relevant to an organization such as a social partnership that has already been described as inherently fragile. In assessing the development of social partnerships, from existing case studies (e.g., Brown and Wilson, 1984; Gricar and Brown, 1981; Melchior, 1984; Fosler and Berger, 1982), from what is known about organizational life cycles (e.g., Quinn and Cameron, 1983), and from the exploratory study, several stages of social partnership development can be identified.

The early stages are similar to those identified by Quinn and Cameron (1983) in their integration of the life-cycle literature. After reviewing nine life-cycle models, Quinn and Cameron (1983) concluded that developmental stages are sequential, hierarchical and not easily reversed, and comprehensive in that they involve a broad range of systems and activities. These authors summarized the models into four stages, which they termed entrepreneurial, collectivity, formalization and control, and elaboration of structure. Characteristics of these stages will be detailed below as they are compared to those in the partnership model.

Equivalent to the entrepreneurial stage is a "preconditions" stage that has been termed the "context" out of which the notions of partnership begin to develop. An environmental force focuses attention on an issue or problem area. Ideas about resolving the issue are being generated, although there is little focus on a specific purpose. Critical for the context is the development of a partnership forum (see Figure 1).

The first stage in which a "social partnership" can be identified is called initiation. It was discussed above in some detail in dealing with the content areas for social partnerships. It begins with the establishment of the "partnership forum." Typically, these forums develop as a result of the efforts of the convener or initiator (Gray, 1985). As with Quinn and Cameron's (1983) collectivity stage, communications and structure during initiation remain somewhat informal, while the coalition continues to build and the issue continues to crystallize (see McCann's [1983] problem-sensing and direction-sensing processes). Members of the partnership forum begin to develop a purpose for the partnership.

The second stage of partnership is termed establishment, which is comparable to McCann's (1983) structuring stage. It is during this stage

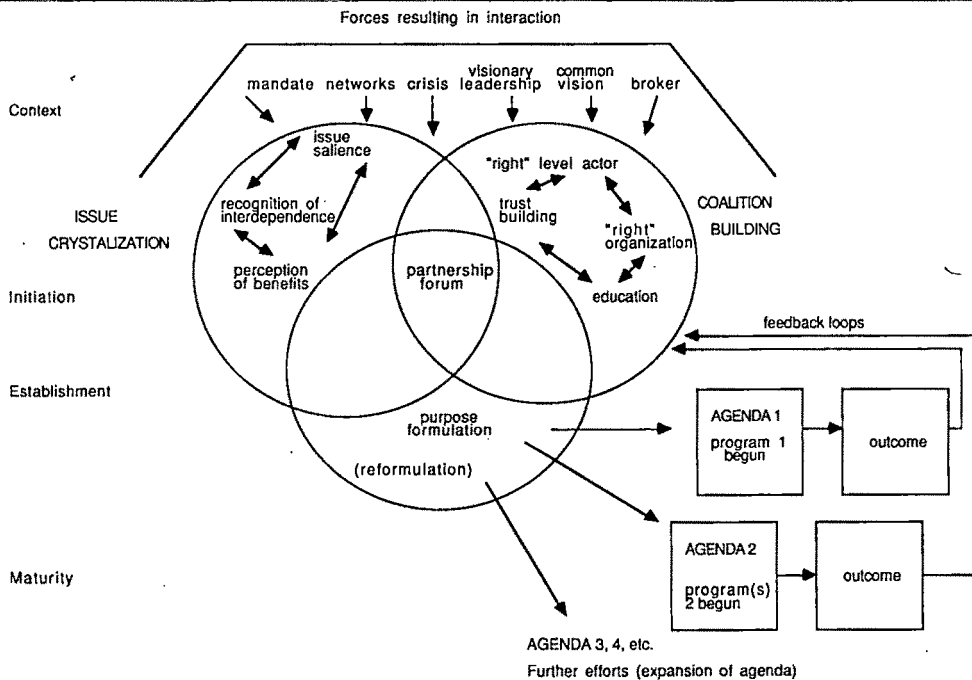


Figure 1: Evolutionary Model of Social Partnership Development

that the initial purpose of the partnership crystallizes and some (or a single limited) programmatic thrusts are begun. Feedback is generated from these efforts. This feedback subsequently influences regeneration of the purpose, the extent to which the issue remains crystallized, and the effectiveness of the coalition. Formally scheduled meetings are held and an internal structure for the partnership is developed (e.g., chairperson, administrative agencies, and staff chosen). As the results of first efforts are evaluated, as in the formalization and control stage described by Quinn and Cameron (1983), further changes in the purpose may be initiated.

Social partnerships next enter a maturity phase, in which their evolution diverges from that of more traditional organizations. As the model in Figure 1 illustrates, the social partnership undergoes a cyclical reevaluation of purpose, supported (or not) by the environmental forces. This reevaluation engenders a broadening of focus if the partnership is to "stay in business." This, at least, was true of the five partnerships studied. Since partners all have other organizational affiliations that dominate their lives more fully, lack of interest in the issue, a split coalition, or unresolved purpose results in partnership "death." This death can be appropriate in that the limited purpose of the partnership has been met and there is no further need to continue the partnership, or it can be unfortunate if the issue remains unresolved.

### THE SYNTHETIC MODEL: AN EXAMPLE

The context, content processes, and stages of development described illustrate some of the complexities involved in bringing together partners who have their own organizational domains to deal with and suggest some of the fragile areas of partnership, including maintenance of the issue and coalition, the need constantly to broaden the agenda or face organizational demise. In this section, social partnership in Boston will be used to elucidate the context, the factors appropriate to choosing the content, and the developmental processes presented above.

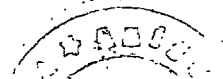
#### CONTEXT OF THE BOSTON SOCIAL PARTNERSHIP

Although each of the five partnerships studied progressed through similar stages, the Boston partnership, because it developed in the late 1970s from all of the contextual forces, was by far the richest. Cooperation

between the business community and public agencies working in job training for the disadvantaged in Boston began amid great conflict. Since the early 1970s, Boston had been the scene of controversy over forced busing in the Boston school system and the schools had been faced with serious declines in the quality of their graduates as well as in the proportionate number of students entering who graduated. This controversy and the resulting "white flight," combined with a school system in almost total administrative disarray, generated a crisis atmosphere in the city with regard to the school system and its graduates. Thus crisis was certainly an element that resulted in partnership in Boston.

Forced busing in Boston had been ordered by the courts. In partial reaction, some members of the business community had formed the Tri-Lateral Council, which attempted to form partnership relations between individual schools and businesses to help the schools solve some of their problems. Although some progress was made through the Tri-Lateral Council's efforts, there was also some resentment on the part of school administrators and some teachers at the interference of the business community in school business. Some of the participating business executives also began to be frustrated at the lack of progress. Real progress was limited to specific schools, with little success in systemwide change. In combination with Boston's coordinating committee, a group of downtown business executives popularly called "the Vault," who met regularly around issues of social responsibility, the Tri-Lateral Council generated a network of executives of major businesses known to be interested in the problems in the schools.

In the late 1970s, the Comprehensive Training and Employment Act (CETA) established early versions of the Private Industry Councils. These early PICs were not required to be decision-making bodies (although they could be set up as such), but were typically advisory in nature and handled only certain, limited federal monies. Nonetheless, when the PIC was established in Boston, state officials tried to determine who should be its head. The most likely candidate for the job was William Edgerly, chairman of the State Street Bank, who had for years been active with the national Committee for Economic Development. He had been associated, in particular, with CED's committees on job training for the disadvantaged. Edgerly was tapped for the job, but stated his requirements: The PIC must be a decision-making body, must be politically and financially independent, and must require membership only by chief executives. He also decided to chair the PIC himself. Under the CETA legislation, it was up to the local elected official, in this case the mayor, to approve the selection.



The mayor was Kevin White, who for political reasons wanted to maintain an arms-length distance from the problems in the school system and who at the time also was distant from the business community, which was generally negatively received in the Boston press. Perhaps partly because he thought little would come of the effort and partly because he could ride the coattails of success should the effort be successful, White agreed to Edgerly's conditions.

Edgerly soon contacted his friends within "the Vault" and got them to participate with him on the PIC. With his leadership in place, the PIC could begin to take action on issues of unemployment for the disadvantaged, the PIC's original focus. In addition to the business community, membership on the PIC also included the leaders of representative organizations in the public and nonprofit sectors of Boston. The PIC, which is an independent organization supported by membership fees from participating organizations, hired its own staff. With Edgerly's leadership, the support of the staff, and help from local educational institutions, the PIC soon began evolving a common vision about demographic realities in Boston. The city was in the midst of an economic boom; recruiting entry-level employees was becoming increasingly difficult. Through a series of educational efforts, Edgerly and the PIC staff made sure that the PIC membership was well aware of the impact that declines in the numbers of high school graduates would have on downtown businesses' ability to recruit in the future. In addition, members of the PIC already shared a common vision that Boston was a far better place to do business than reports in the national media implied.

Under CETA, the PIC was formed solely to oversee disbursement of specified federal monies for job training for the disadvantaged. The crisis in the schools, and the need to recruit entry-level employees, combined with the growing impact of a forming network of young public-sector officials who had concerns about youth unemployment, soon began to focus the PIC's attention on youth. Some of the individuals in the youth-oriented network worked for the PIC or the employment training agency in Boston, having been displaced by the defeat of the Carter administration. The development of these networks coincided with the arrival of a new school superintendent, Robert Spillane, who quickly began to evince managerial ability, which started to win over a skeptical business community.

The sixth environmental force came into play when the government agency running the employment programs applied for and received a grant

from the Edna McConnell Clark Foundation and let the PIC decide how to use that money. Under different circumstances this decision might have been more difficult to make because of the implications of sharing such resources. The director of the employment agency was new to the system, however, and felt that the business community might become a much-needed ally in the development of a successful job training program for the city, particularly where Boston's youth were involved. With all of the environmental forces pointing at problems in the schools and highlighting the relationship between poor schools and problems with recruiting young people into business, the stage was set for partnership.

## INITIATION

The environmental forces described above lend insight into the three concurrent processes of issue crystallization, coalition building, and purpose formulation of the initiation stage. The school crisis and the related negative national reputation of Boston along with the increasing recognition of shifting demographics gave salience to the issues around which a partnership began to form. The PIC became the forum in which such issues could be discussed.

### Issue Crystallization

It had long been clear that the schools were having difficulty solving their own problems. Even with the arrival of better leadership, the schools had a long way to go. As an outsider in the system, Spillane was willing, like the job training agency director, to accept help where it might be useful. The business community was an obvious source of incentives that might keep students in school. The educational efforts of the PIC staff made it clear to business executives that the reasonably well-educated entry-level employees that they needed were going to be harder to come by in the near future, especially as the suburban high-tech belt around Boston attracted more young people. As a result, the interdependence of business and schools became clearer over time. The very interdependence that existed among businesses and the schools also highlighted the benefits that might be achieved if they could cooperate toward the common end of producing more literate high school graduates. The schools would benefit by improvements in attendance, curriculum, number of graduates,

and, not peripherally, reputation. Businesses would benefit from employable graduates of local schools who had the skills necessary to enter jobs, as well as from the potential for positive press from working with the public sector.

### **Coalition Building**

The coalition-building process took place concurrently with the crystallization of the issue around the public schools. Getting the "right" organizations and membership from those organizations involved in the PIC meant recruiting both chief executives of major downtown businesses and the heads of the key governmental and nonprofit organizations in the city. To achieve systemwide change, only top-level executives, from whatever sector, were permitted to participate on the PIC; no substitutes were allowed at meetings. Members included broad segments of the Boston business community, community leaders, nonprofit leaders, and governmental agencies. Thus the "right" level and "right" organizations, that is, a representation of public- and private-sector perspectives in the city, were included in the PIC so that decision making would be at least moderately representative of the needs of the broader community. One political struggle resulted from the omission of members of the school committee, a powerful decision-making body, from the PIC's efforts. Spillane represented the school system, but the minority members of the school committee, who represented the largest population segment in the school system, felt left out. Without some quick last-minute telephone contact by key staffers to smooth feelings of being left out in an effort to avert the school committee's potential lack of support, the Boston Compact might have never gotten underway.

Trust-building processes within the PIC gradually evolved, as members of the PIC began working together and seeing the results of their efforts. As one respondent indicated, "We did a bit of drinking together." Educational efforts around the awareness of the issue have been described above; these were aimed at fostering some common vision of the problem. Decision-making authority in the PIC, which was chaired by a business executive and by law had a majority of business interests, was shared among PIC members as equally as the law permitted in order to avoid some of the power struggles that might have developed otherwise.



## Purpose Formulation

By 1982, the youth-oriented network of public officials, some of whom were employed by the PIC, others in the school system, and still others in the private sector, had developed. Spillane's work to make his leadership credible to the business community had begun to have some effect, and there was increased awareness of the linkages between adult unemployment in the poorer sections of Boston and the school system's spewing out of illiterates and dropouts. Slowly, through the efforts of key staffers, the PIC had begun to focus on the schools. Initially, the then-director of the Neighborhood Development and Employment Agency (NDEA), the agency charged with implementation of CETA programs, obtained the grant from the Clark Foundation for a summer jobs program for youth and turned it over to the PIC. This grant focused the PIC's attentions on the problems of youth unemployment in the first years of the 1980s. Although the first year of the program was a relatively unsuccessful one in terms of jobs provided, by its second year Edgerly was hooked. He literally got on the phone to his peers and personally asked them to help provide summer jobs for Boston youth. In its second year, the program worked and the partnership among the business community, employment agency, and school system was underway.

## EVOLUTION OVER TIME

With the establishment of the Summer Jobs Program by the PIC, a purpose for the partnership, other than that originally mandated by the CETA legislation, could be said to have emerged. As will be seen below, that purpose has remained far from stable.

The partnership in Boston began in a small way, with the Summer Jobs Program and a similar year-round cooperation with the school system called the Jobs Collaborative. As PIC members got feedback from within their organizations and from the PIC staff about the success of these programs, notions of attacking the combined school/entry-level employee problem on a systemwide basis began to emerge.

Ideas for what has become the centerpiece of the Boston partnership, the Boston Compact, surfaced in early 1982, partly with the PIC staff and the public-sector network, partly as a result of some staff work done by

the liaison for a key member of the PIC who had worked during the Carter administration on the Youth Employment Act, partly as a result of Spillane's increasing credibility with the business community and his willingness to go along with a plan that just might help the schools. In the spring of 1982, PIC staff brought the idea for the compact first to the PIC and then to "the Vault." Unwilling to move quickly on what might be perceived as a publicity gimmick by a generally negative press, the PIC tabled the idea until a more detailed plan could be developed. Over the summer, staff from the PIC, from the school system, from PIC member organizations, and from government agencies worked hard to develop a document that would be acceptable to the PIC. By fall the Boston Compact was readily approved by the PIC, which called a press conference for the next day to announce it. The Boston Compact was an agreement that the business community of Boston would give priority hiring to Boston high school graduates in return for specified improvements in the school system. All members agreed that it was a bargain, not a quick-fix arrangement.

Since the inception of the Boston Compact in 1982, the social partnership in Boston has had time to generate a number of iterations in its broadening agenda. The focus of this social partnership has shifted from the small-scale implementation of a Summer Work Program and Jobs Collaborative to much larger versions of those programs, then to the Boston Compact, toward an adult literacy program, a housing partnership, and most recently an employment partnership for adults modeled on the Boston Compact. The broadening agenda of the maturity stage can be clearly seen in the shift in focus from initial emphasis on small-scale school-related programs toward the full-blown development of the Boston Compact, to an even broader emphasis on social problems such as literacy and housing.

## DISCUSSION AND IMPLICATIONS OF THE MODEL

The focus of this study was on the development of one specific kind of collectivity (Astley and Fombrun, 1983), the social partnership. Differences in organizing social partnerships include, first, the fragility of the organization, its membership, and the processes that draw participants together, especially during early stages. This fragility is a direct result of

the interorganizational context out of which the partnership develops, the lack of hierarchical controls on actions by members, and the implicit power struggles that exist among organizations vying to have their own needs met. The power struggle becomes more apparent, as happened in Boston, if a key group is left out of the decision-making process, as was the school committee.

Second is the fact that social partnerships' members typically have their primary responsibility and loyalty to another, usually employing, organization, which may limit commitment to the partnership. This factor highlights the relative importance of maintaining the coalition through constant feedback and reshaping of issues that begin to lose their salience.

Third, although early processes in the development of social partnerships are similar to those of other organizations, they differ in two ways. Initially, the evolution is dominated by ongoing processes of issue crystallization, coalition building, and purpose formulation (and reformulation; see McCann, 1983), rather than a goal orientation. The environmental forces act as the "glue" to unite the partners, however tenuously, as, for example, the JTPA did for the researched partnerships; as common vision did in Portland, Oregon (Fosler and Berger, 1982), or as leadership did in the "This Is Worcester" case (Melchior, 1984). Whether or not these forces are hierarchically ordered remains, however, a critical area for future research.

Later in the evolutionary cycle, there is a cyclical process of purpose reformulation, fed both by the environmental and issue/coalitional factors and by the success or failure of programs initiated. This leads to the potential for successively broadening agendas, as was seen in the Boston partnerships, which appear to be necessary to maintain interest in the partnership. That is to say, partners must be "hooked" initially by environmental factors resulting in a purpose that makes sense to them, and, because of the partnership's fragility, they must continually be "rehooked."

Finally, the general mode of interaction is cooperative rather than competitive or confrontative (Astley, 1984; Astley and Fombrun, 1983; Gray, 1985). Partnership as organization is, in a sense, at the mercy of the partners. Should the linkage binding the partners together break down or a power struggle emerge, the very existence of the partnership is in peril. This fragility is in sharp contrast to a corporation or government agency, which can be formally structured independently of any external factors and can continue even without the guidance of a founding member. Depending on the nature of the partnership, the withdrawal of a partner,

resolution of a problem, or diminishing of an environmental force may mean the end of the arrangement. This is especially true if the partnership has not yet been institutionalized as part of the activities of the partner organizations.

It is clear from this discussion that although social partnerships are often formed to resolve social or otherwise intractable problems (see Ouchi, 1984), individuals and their organizations do not become involved in social partnerships completely out of altruistic motivations. An essential element of partnership derives from each organization's gaining some benefit from the interaction. Typically, that benefit is more specific and tangible than mere development of goodwill, reputation, or good citizenship. To the extent that partnership is a means of reducing the uncertainty that an organization faces in its environment, it can be viewed as a buffering device (Thompson, 1967), keeping the organization's core technology from being disturbed. It can also be seen as a cooptive device (Selznick, 1949) or as a means of coping with turbulence or uncertainty and interdependence in the environment (Pfeffer and Salancik, 1978).

The need for constant reassessment of the partnership's activities means that the ultimate purpose of at least some forms of partnership may never be fully determined. Some partnerships, with specific and defined goals, may cease to exist once their goals have been accomplished. Others with less defined and broader goals appear to broaden their agendas over time in the effort to retain the "hooks" for members. Thus the mature stage of the social partnership, which differs considerably from other organizational forms, is one that can be characterized as a dialectical, iterative pattern of purpose development leading to implementation, which results in feedback that in turn affects the other ongoing processes of issue crystallization, coalition building, and purpose formulation. The pattern is spiral-like, expanding either outward to broader purposes or inward to demise, because of the need for hooking and rehooking partners into the partnership processes.

The implication of the spiral, whether inward or outward, is that some partnerships with relatively limited and achievable purposes will have fairly short life spans. Unless the partner representatives can find new purpose in continuing the partnership, or continuing benefits exceeding costs, such limited partnerships can be expected to end their activities when their initial goal is accomplished. A goal once met has little hooking ability for partners. Others, such as those studied, have much broader and less well defined purposes that, if managed appropriately, can be constantly redefined to rehook the partners. This happened in Boston, where

the mission of the partnership has been broadening in the 10 years since its inception with a relatively narrow focus on programs in a few schools, to a systemwide effort to affect the quality of the schools and their graduates by offering jobs as an incentive, and, most recently, to efforts that attack the problems of adult literacy, unemployment, and housing.

In other partnerships, which began much more narrowly focused on implementation of the Job Training Partnership Act's mandate to provide employment training for the disadvantaged, each partnership was exhibiting a tendency to move toward broader issues of economic and community development as well.

## IMPLICATIONS FOR FUTURE RESEARCH

Much remains to be learned about the development and maintenance of social partnerships and other forms of interorganizational organization.

Some areas of future research have already been highlighted. The role of the environment, the roles of leadership, and the evolutionary processes over time need to be studied in more detail and the hypotheses implicit in the model require further empirical testing. Similarly, in-depth study of the developmental cycle of a number of types of interorganizational organizations, along with work to develop a typology of interorganizational organizations, will enhance understanding not only from a theoretical but also from a practical point of view about the types of issues with which such entities can successfully cope. Other potential areas for future research involve testing this model to determine whether it can differentiate between more- and less-effective partnerships. If the incidence of social partnership increases, as is expected, the importance of understanding the nature and problems associated with them will increase accordingly. The model put forth in this article represents one attempt to provide a theoretical framework that will help both planners of and researchers on social partnerships to better understand this phenomenon.

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This article offers an interim assessment of the Microelectronics and Computer Technology Corporation (MCC). It approaches this task from three perspectives: (1) a descriptive review of MCC's origins and development of the National Cooperative Research Act of 1984, under which MCC qualified for limited exemption from the antitrust laws for the purpose of collaboration, as defined, in research and development; (2) an empirical study of what is new and distinctive about MCC; and (3) an assessment of its future prospects as a private corporation and as a de facto instrument of U.S. foreign economic policy. Market and institutional models of the foreign trade arena are employed to aid in the evaluation process, as is McKenna's model of the stages of product creation. MCC's future is viewed as uncertain and controversial, in part because its creation, structures, and goals reflect many of the issues associated with the ongoing debate on the appropriate nature of business-government relations in the United States.

## ***THE MICROELECTRONICS AND COMPUTER TECHNOLOGY CORPORATION***

### ***An Assessment from Market and Public Policy Perspectives***

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**The Microelectronics and Computer Technology Corporation (MCC)** was founded in 1983 by leaders in the computer and electronics industries who believed that private-sector collaboration in R&D would be an innovative and effective American response to heightened levels of competition in world markets. MCC qualified for limited antitrust exemption after the fact under the National Cooperative Research Act of 1984

(the NCR Act). MCC now has over four years of operating experience, a 1987 budget in excess of \$75 million, and a full-time research staff of 500.

A preliminary assessment of MCC's experience to date is timely. The firm's charismatic and well-known CEO, retired Admiral Bobby Inman, resigned from MCC on January 1, 1987. His unexpected resignation has prompted speculation in the press as to disagreements over an emphasis on research versus product development within MCC and its member companies. The debate on possible remedies for America's poor economic performance abroad has also focused attention on the collaborative research enterprise as a new instrument of public policy.

A primary objective of this article is to consider whether MCC and its "renaissance" men and women in research of revolutionary technology represent a major initiative in America's effort to respond to the challenge of foreign competition. The congressional debate preceding passage of the National Cooperative Research Act reached a consensus calling for only limited changes in public policy to meet the growing foreign economic challenge. Incentives to promote collaboration in high-technology research and development among private-sector actors, engendered by the removal of the fear of antitrust sanctions, would stimulate collective American entrepreneurship in the marketplace. Market-intrusive policy instruments such as government subsidies and grants, or institutionalized business, government, and labor planning committees in keeping with Japanese practice and precedent-shattering industrial policy proposals, were not needed to restore America's competitive edge in the international economic arena.

Much is new about MCC, and the NCR Act is basic to an understanding of MCC's and other qualifying firms' de facto roles as instruments of U.S. foreign economic policy. Accordingly, this article will examine MCC from three perspectives:

- (1) First, the formation of MCC and the legislative history and content of the National Cooperative Research Act will be reviewed on the basis of archival research.
- (2) Second, we will focus on what is new and different about MCC. The information is derived primarily from empirical research and interviews conducted at MCC.<sup>1</sup> Some of the information included is anecdotal.
- (3) The final section is an effort to evaluate MCC's experience to date and to assess its future prospects. The issues of permanence, corporate governance, and technology transfer are emphasized. Three simple models are employed to help organize and guide our suppositions. The first is the Schumpeterian (or market) model of the foreign trade arena. A contrasting

institutional model emphasizes the activist role of government and the unique characteristics of the Japanese corporation (*kaisha*). The third is Regis McKenna's (1984) view of product innovation and creation in high technology. All three models are used to interpret Inman's concerns about the critical issues facing MCC and to speculate about the future.

MCC has the modest management structure of a small company, the professional autonomy of a well-funded think tank, the equipment of a Bell Lab, and the sense of mission of the Manhattan Project. It has been viewed by many as a unique American approach to collaboration that will stimulate innovation and economic performance without resort to abrupt changes in business-government relations that would be inconsistent with American ideology and prior experience. Although it is a private corporation subject to stockholder expectations, its stockholder profile is a departure from traditional American corporate practice, and assessment of its ultimate effectiveness has a public-policy dimension as well. Will collaborative research ventures such as MCC prove to be enduring and telling responses to Ezra Vogel's (1986: 752) recent assertion "that the international trade regime may well be moving toward a Pax Nipponica?" It is too soon to tell whether MCC will provide a healthy fillip to America's foreign economic performance or is itself a flawed hybrid facing intractable problems in its future. However, it is a timely issue that warrants scholarly assessment as the debate on foreign economic policy options continues.

### THE FOUNDING OF MCC AND MODIFICATION OF ANTITRUST LAW

Although the founding of MCC preceded passage of the National Cooperative Research Act, these private- and public-sector initiatives were clearly related to each other. The first public mention of support for formal collaboration among corporations in the semiconductor and computer industries came from Control Data Corporation (CDC) President William Price at the 1980 spring meeting of the Computer and Business Equipment Manufacturers Association. CDC had experienced prior success with joint-venture programs, and, led by its chairman, William Norris, subsequently became the catalyst that organized a secret strategy meeting of senior executives from 16 firms in Orlando, Florida, in February 1982 (*Electronic News*, February 22, 1982: 1). Participant sup-

port was immediately forthcoming, and legal, technological, and administrative task forces were quickly formed, staffed by executives on loan from the interested companies. A corporate charter was filed on August 12, 1982, and an "R&D agreement" covering organizing principles was negotiated and signed by the 10 founding companies four months later. Inman was hired as MCC's CEO in January 1983 (Stotesberry, 1986).

Although MCC's initial organizing efforts appeared to progress expeditiously, Price and other CDC executives subsequently testified in congressional hearings that their efforts to persuade prospective participants were fraught with difficulty (six corporations that attended the Orlando meeting chose not to join MCC). The overriding concern was the risk that collaboration as postulated by the MCC model was highly vulnerable to antitrust litigation from public and/or private sources. Price said of this experience before the House Committee on Science and Technology:

It took over 18 months for MCC to proceed from an idea to a corporate shell. . . . I devoted countless hours trying to overcome the skepticism and reticence of executives less familiar with a cooperative approach to problems. And the subject they repeatedly raised was the so-called barrier of U.S. antitrust laws, that MCC . . . was inevitably an invitation to become a defendant in at least one horrendously expensive and time-consuming law suit [U.S. Congress, 98th a: 92-93].

Governmental concern about the antitrust restraint on cooperative research and development in the private sector was already visible. President Nixon identified the problem in a special message to the Congress on science and technology in 1972 (U.S. Executive, 1972: 421), and the Carter administration Justice Department issued a presidential-directed study in November 1980 titled "Antitrust Guide Concerning Research and Joint Ventures" (U.S. Department of Justice, 1980: 86). This report encouraged such ventures, and provided for a business review procedure under which prospective joint ventures could submit their plans to the Justice Department for review and comment. MCC followed this procedure, and on December 28, 1982, received what one MCC executive called an antitrust "yellow light" of endorsement from the justice department (Stotesberry, 1986; U.S. Congress, 98th b: 433). This yellow light was an added impetus for MCC to support the gathering momentum for remedial legislation, since a qualified endorsement was considered an inadequate substitute for protection embodied in law (Stotesberry, 1986).

MCC's concern was heightened when the 10 founding corporations all received a threatening letter from prominent antitrust attorney Joseph

Alioto in February 1983. Alioto challenged the very notion of MCC, asserting that "I wish to advise you that . . . your contemplated conduct is an unequivocal combination in violation of the antitrust laws of the United States" (Bower and Rhenman, 1985: 124). MCC directed its subsequent antitrust efforts on two fronts: It continued to inform the Justice Department of its plans and activities under the business review procedure, and it actively lobbied for remedial legislation. After passage of the NCR Act in October 1984, MCC filed under its notification procedures, and received formal approval from the Justice Department in May 1985 (Stotesberry, 1986).

### THE NATIONAL COOPERATIVE RESEARCH ACT OF 1984

The National Cooperative Research Act was a compromise molded from a variety of bills introduced in both houses of Congress over a two-year period. Eight separate congressional hearings were held on the various bills (U.S. Congress, 95th c). Two major issues concerned the Congress (98th d: 8) before debate on the question of revisions of the antitrust statutes: (1) Was the declining U.S. performance in world markets due to diminished research and development? and (2) Was the decline in private-sector R&D related to the antitrust tradition?

Although the adverse impact of the foreign competitive challenge was readily acknowledged (given the magnitude of substantiating statistics), the role of reduced R&D as a critical explanatory variable was far less clear. A parade of academics, executives, and public officials from the Reagan and earlier administrations argued as to the causes of Japan's successes and America's failures. Although this debate is beyond the scope of this article, certain practices cited to explain Japan's extraordinary economic performance are relevant to the MCC experience.

Japan's expertise in R&D was acknowledged in applied research, product development, production processes, and manufacturing, as well as in the basic research emphasized at MCC. In addition, the role of the Japanese government was evident in all phases of the product-development cycle, as it promoted "diffusion" of the technology born of basic R&D down to individual manufacturers, actual products, and marketing processes (U.S. Congress, 98th b: 58-115). This diffusion role is critical in understanding the technology transfer issues faced by MCC. Despite uncertainties, consensus emerged that support of collaborative R&D was

in the public interest, given the enormous cost of current high-technology research, the waste of duplicate efforts, and the presumed boost it would provide to American entrepreneurship (U.S. Congress, 98th d: 9).

Testimony on the role of antitrust law in inhibiting collaborative R&D was also inconclusive. Antitrust experts argued that the prosecution record was nil from the government, and meager at best from private plaintiffs. Officials from MCC and other corporations responded that their fears were real, the costs of antitrust litigation catastrophic, and protracted time delays a major constraint on initiatives toward collaboration. An emerging congressional consensus came to believe that what was needed was "statutory clarification" of the antitrust laws that stopped short of "radical surgery" (U.S. Congress, 98th d: 10-11). Fears were a powerful constraint, meager dockets notwithstanding. As Assistant Attorney General Baxter testified:

I was rather skeptical for awhile about the need for . . . legislative reform. . . . Yet, as one talks to business people around the country, one simply . . . becomes overwhelmed with the evidence that there is a very widespread perception that there are grave antitrust threats [U.S. Congress, 98th d: 13].

The stage was thus set for the creation of a new but discrete policy instrument designed to foster collaboration in high-technology basic R&D, with the expectation that it would bear fruit downstream in international markets via traditional competitive practices. The task for the Congress was to provide statutory clarification in keeping with the already-existing MCC model, and consistent with incremental change in the U.S. antitrust tradition. A definition of R&D, the *per se* tradition in antitrust law, costs, and eligibility were the critical issues.

#### CHANGES IN ANTITRUST LAW

The law signed by President Reagan in October 1984 addressed these questions in five short pages:

*Section 2* provided a narrow definition of a "joint research and development venture." Such ventures were specifically limited to "theoretical analysis" and related information functions; collaboration in subsequent phases of applications and all manufacturing and marketing activities were explicitly excluded (98 Statutes: 1815-1818).

*Section 3* stated that an R&D joint venture “shall be judged on the basis of its reasonableness.” Positive and negative impacts on competition must be considered in applying the “Rule of Reason Standard,” in contrast to the “illegal per se” tradition in antitrust law. This intermediate position was adopted in preference to industry’s advocacy of a “safe harbor” approach. The latter would have provided a general and permanent exemption from the antitrust laws for joint ventures complying with a prescribed set of objective standards. The “safe harbor” concept was rejected by Congress for three reasons: (1) It required complex and bureaucratic certification procedures that were at odds with the administration’s opposition to institutionalized regulatory practice; (2) it expanded the antitrust exemption beyond the narrow R&D function as defined by *Section 2*; and (3) it eliminated the government’s right to subsequent antitrust review of joint ventures approved under the NCR Act. This right was retained in the NCR Act as passed (U.S. Congress 98th a: 95).

*Sections 4 and 5* reversed antitrust traditions that provided for treble damages for prevailing plaintiffs and excluded successful defendants from recovery of attorney’s fees (98 Statutes: 1815-1818). Certified joint ventures thus not only received a partial exemption from the threat of antitrust liability, in the event of antitrust action, they also were relieved of contingent financial liabilities that formerly had been part of established practice in antitrust law enforcement.

*Section 6* prescribed a simple filing and disclosure requirement limited to the “identities of the parties . . . and the nature and objectives of such venture” (98 Statutes: 1815-1818). The House report stated that this approach protected the applicants from enforced disclosure of proprietary information and limited the government to a “ministerial” role in contrast to certification and regulatory obligations under the safe harbor concept (U.S. Congress, 98th e: 11).

The NCR Act does provide statutory clarification to encourage collaboration, but it is important to note that the exclusions to antitrust law were carefully circumscribed. MCC and other such ventures are free to collaborate on R&D as defined, but collaboration downstream in the value chain is clearly illegal. The ventures are also subject to continuing antitrust scrutiny. In keeping with U.S. ideological traditions, competitive markets are viewed as the primary impetus to efficiency and economic growth in the foreign trade arena. An enabling government role was adopted to encourage collaboration in basic research, but the NCR Act bears scant

resemblance to market interventions by the Japanese government, where the priorities are avowedly developmental and explicitly designed to promote "long-term dynamic comparative advantage and international competitive ability" (Johnson, 1985: 62).

The implied managerial task for MCC is to devise means for transferring the benefits of its basic research to its corporate shareholders. An active shareholder role seems essential if the knowledge born of MCC's collaborative research is to be expeditiously transformed by the shareholders into new products, manufacturing processes, and heightened productivity. This new American initiative in business-government relations places the burden of performance squarely in the private sector. The magnitude and importance of this task is apparent to MCC management, as will be discussed below.

### **MCC'S ORGANIZATIONAL INNOVATIONS**

MCC is a research company now owned and funded by 20 U.S. corporations, with a work force composed of direct hires, employees from the shareholder companies, and management. Within the technical community it is considered an elite repository of some of the finest computer professionals and scientists in the country. Since its founding four years ago, MCC has developed and implemented four major lines of research business, staffed to a current headcount of over 500 employees, and has moved to permanent headquarters at the Balcones Research Center of the University of Texas at Austin. This section will review organizational innovations at MCC in order to establish the context for assessing its operating experience to date. MCC's R&D "product" mix, internal organizational structure, shareholder relations, and corporate culture offer varying contrasts to generally accepted norms in major American corporations.

### **MCC'S RESEARCH PRODUCT MIX**

MCC in reality now has seven research areas, since one of the efforts (advanced computer architecture) was so broad and complex that it was divided into four independent areas. MCC shareholders may participate in as many of the four main areas as they wish (one minimum), subject to pro-rata sharing of the costs. The brief technological overview that



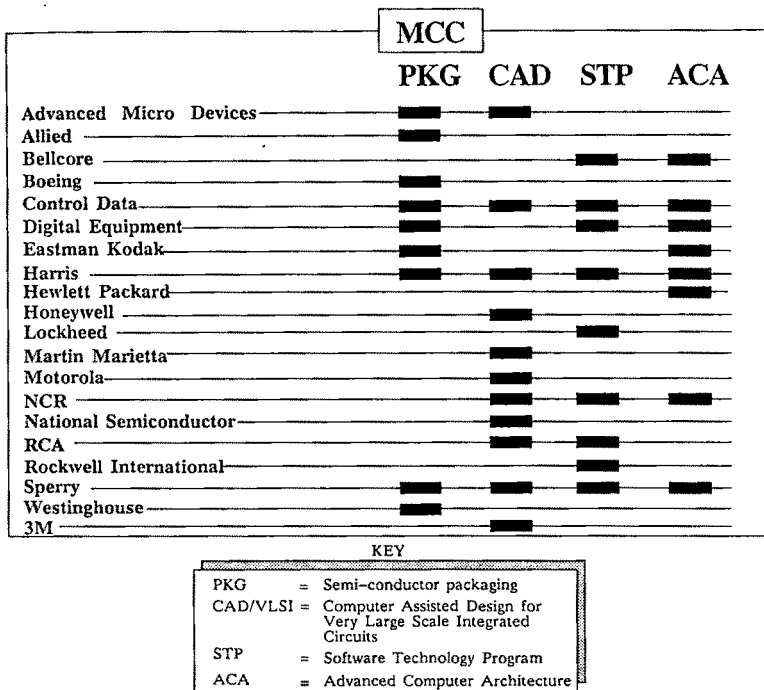


**Figure 1: The 20 Companies Participating in MCC May Join Any of the Research Activities. When BMC and Mostec Dropped Out at the End of 1986, They Were Able to Sell Their Shares to H/P and Westinghouse.**

follows is intended as a framework for the descriptive and analytical material that follows. (See Figure 1 for shareholder program participation.)

*Semiconductor packaging.* With the shift in the semiconductor market to custom or so-called designer chips, new methods of making connections and interconnecting chips must be developed. This program is the most hardware-related of MCC's research activities.

*VLSI/CAD.* Computer Assisted Design has become an integral part of most engineering disciplines. The VLSI/CAD program seeks significantly to reduce design costs and improve the productivity of engineers who lay out the *Very Large Scale Integrated* circuits. The technology developed should enable chips not only to be designed faster but with a greater density than those designed with conventional methodologies. This program is closer to maturation than other MCC endeavors. In 1985

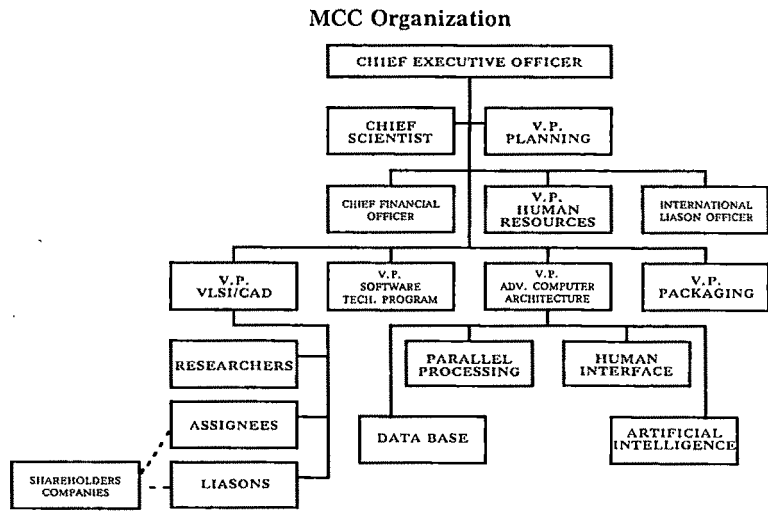


**Figure 2: MCC Considers Its Management Structure Very Lean, and Prides Itself on the Quick Response That Can Be Provided Program VPs and Researchers. The Workers Are Grouped Into Three Categories: (1) Direct Hire Researchers, (2) Shareholder Researchers (Assignees), and (3) Liaisons from the Shareholder Companies.**

its programmers delivered 180,000 lines of code in the "C" language and 30,000 lines of code in the "LISP" language to its shareholders.

*Software Technology Program (STP).* The goal of the STP is to increase the productivity and reduce the cost of software development, testing, and verification. Its long-term product is an environment or series of technologies, trademarked with the name "Leonardo." To create this environment, knowledge engineers are engaged in observing programmers, figuring out what works best, and automating the process.

*Advance Computer Architecture (ACA).* This area's four independent programs are Parallel Processing, Data Base, Human Interface, and Artificial Intelligence. Parallel Processing will develop languages and computer architectures that allow computers to perform tasks concurrently rather than sequentially. The Data Base management system will attempt to improve the data base design, storage methodologies, and capacities. The Human Interface technology moves current user-friendly interfaces into the area described by Doonesbury cartoonist Gary Trudeau as "user mellow" by improved voice and character recognition and the attempt to use natural language. Artificial Intelligence attempts to apply human expertise to the decision elements in computing by creating systems

capable of making choices from the knowledge base, and "learning" from prior decisions.

#### MANAGEMENT AND INTERNAL STRUCTURE AT MCC

MCC's differences here are more of tone than of structure and spring from the firm's unusual stockholder profile and its rather abstract research mission. The president/CEO heads an executive committee that comprises the senior VP for planning and the chief scientist. The other senior executives are the vice-presidents of finance and human resources, and the seven VPs of the research programs (see Figure 2).

The research program VPs are delegated responsibility for technical direction and cost performance of the programs and report directly to the CEO. They were the first hired and were given the responsibility to assemble their teams, plans, and budgets as required to produce the technologies as defined by the participating shareholders. No two programs are organized alike, and this sense of autonomy flows down to the research levels within the programs. Gene Lowenthal, Data Base VP (1986), described his job: "Imagine a situation where you have lots of money, very few signatures, and good people working for you on an exciting project."

Although "bottom up" decentralization seems to prevail in the research environment at MCC, Inman and the staff VPs have spent a significant portion of their time with shareholders, a major departure from customary corporate practice. Not only have they received frequent invitations to shareholder functions, but Austin has become a showcase of innovation for the management, boards, investors, and customers of MCC's shareholders. Indeed, MCC may suffer from overexposure; John Hanne (1986), the VLSI/CAD vice-president, tabulated 227 person-days of shareholder visitation to his program alone in the month of January 1986! Articulation and negotiation of substantive matters of corporate governance such as technology transfer and new shareholder policy have also served to expand senior management's time commitment to shareholders in new and challenging ways.

One of the few centralized activities at MCC is the International Liaison Office. It monitors research competition in other countries, and coordinates two external interface programs. The University Affiliates promotes exchanges with academia, and the Industry Associates performs a similar service for small businesses.

Senior executives cited three primary reasons for their original attraction to this highly differentiated management environment: (1) the belief that U.S. industry could make giant strides in technology through MCC's innovative mechanisms, (2) a sense of nationalism ("high tech is not going to be the steel industry of the 1990's"), and (3) Bobby Inman. Inman himself brought to high tech what Peter Ueberroth brought to the 1984 Olympics. He did not come from the culture, but he created a presence and style that attracted talented people and commanded attention and respect. One researcher acknowledged Inman's élan in the language of the culture; "The man has a 400 pound CPU on his shoulders." Like Ueberroth, Inman became the leader of a mission that makes Americans feel good about themselves and their country. We see ourselves as world champions, and whether it be high hurdles or high tech, we want to retain our preeminence, and will honor those who are perceived as contributing to that result.

Inman's departure as CEO of MCC sent more than ripples of concern through the business community at large, Austin in particular, the shareholder companies, and MCC itself. He is seen by many as having provided the credibility to attract new shareholders and to bind this unusual enterprise together during its startup phase. Other observers assert that such symbolic leadership is no longer needed, that MCC now needs a seasoned technical chief executive to promote research applications.

#### SHAREHOLDER RELATIONS AT MCC

At the heart of what is different about MCC is the pattern of ongoing relations between MCC and its corporate shareholders. Each company purchased one share of stock for prices ranging from \$150,000 to \$500,000. For this equal-ownership share they are entitled to one seat on the Board of Directors and participation in the costs and benefits of the research program options. They are committed for at least three years, after which they renew on a yearly basis and are subject to a one-year departure notice. The price of a share of stock was recently reduced to \$250,000, an indication of how "the market" values the company.

Investment in MCC is a far cry from purchase of listed securities with immediate right of exit via the so-called Wall Street Rule. MCC's shareholders are confronted with substantive concerns born of ongoing cost burdens and long-term commitment, and the political dilemmas of equal ownership. Management in turn is deprived of the discretionary power and authority that result from the separation of ownership and control.

However, they are also free of the disciplinary constraint of the capital markets. MCC's ownership profile is thus quite different from that associated with the continuing debate over corporate power, legitimacy, and control.

Formal organizational responses to the challenge of shareholder participation are quite well developed and specific. During MCC's embryonic stage the Board of Directors was intimately involved in the management of the company, and shareholders' representation was by very senior executives. Today, with antitrust protection, and with structure, funding, and logistics completed, the board's role is somewhat closer to traditional practice. Although representation is now by less-senior executives, MCC requires that they have the authority to commit their companies while at the table. The appropriate role of the board continues to be a major agenda item as MCC confronts questions of new shareholder solicitation, evaluation of performance, technology transfer, and the ultimate criteria of subsequent shareholder success with product development.

The Technical Advisory Board (TAB) and Program Technical Advisory Committees (PTAC) are additional links between MCC and its shareholders (see Figure 3). The former, staffed by senior shareholder technical managers, provides for periodic review of the technical status of the research programs, with feedback both to management and to the shareholders. The PTACs are staffed by middle-level shareholder technical managers and advise the MCC program vice-presidents on both long-term strategic program planning and shorter-term operational and resource allocation problems.

Each shareholder is also allowed to send one "liaison" to each research program it joins. A liaison is a full-time shareholder employee whose salary is reimbursed by MCC and who is resident at MCC. His or her job description defines program as well as shareholder obligations. The liaison is expected to allocate his or her time between program research and the development of technology transfer processes between MCC and his or her company. "Assignees" are shareholder employees assigned to MCC for full-time research. Their costs are also reimbursed by MCC, but MCC reserves right of refusal over assignees. It was originally intended that the ratio of assignee to direct-hire research personnel would be 60:40. In fact, the ratio has been reversed, as there has been a dearth of shareholder employees that measured up to MCC's researcher profile (Stotesberry, 1986).

Shareholders are billed monthly for MCC's costs in what Chief Financial Officer Bob Ruitishauser (1986) calls his "pay now, argue later

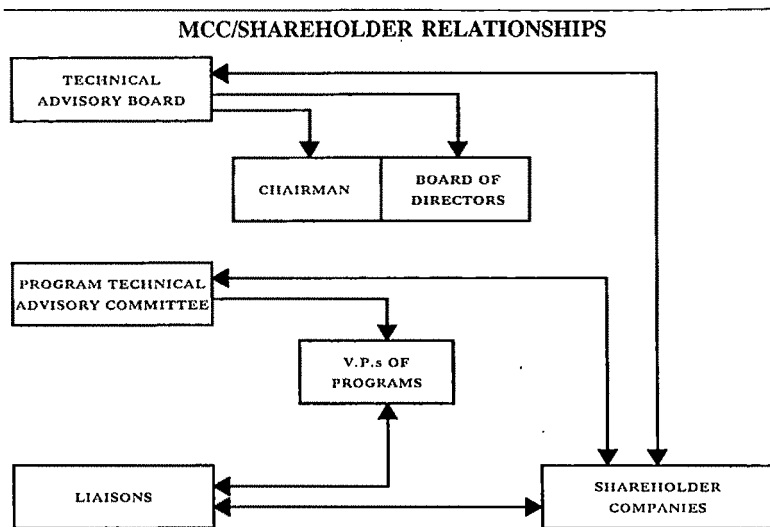


**Figure 3: The Interrelationships Between MCC Management, Its Board of Directors Composed of Shareholders, the Various Advisory Bodies, and the Member Companies and Their Representatives, Create a Most Unique Organizational Management Challenge.**

system." Before the 1986 tax reform, shareholder expenses were deductible or eligible for the R&D tax credit. MCC may eventually earn profits from the licensing of technology to third parties after the shareholders' three-year exclusivity rights expire. However, the primary basis for shareholder ROI is the transfer of new technology that can be leveraged into new products and profits for their own accounts. Thus the effectiveness of the formal links between MCC and its shareholders will ultimately be determined by shareholder-measured returns.

#### **CORPORATE CULTURE AT MCC**

Corporate culture is a much-discussed topic in academic circles these days, but elusive in research applications, and very much subject to observer biases. The cast and setting at MCC is intriguing. The highly educated research staff commingles basic research-oriented academics with industry engineers and scientists from backgrounds in applied and product research. The academics left tenured positions and department chairs at prestigious universities to come to MCC; the industry people

gave up promising and lucrative careers in start-up companies and large corporations. Liaisons and assignees on loan from shareholder companies are the third major researcher constituency. Many earn more money at MCC than they would with their employers because of MCC's bonus incentive system.

This prestigious and diverse professional staff has thus far operated with a high degree of freedom and autonomy while on a "retainer" of over \$75 million a year. Program budgets have been approved as submitted. Appointments are the very best. It is hard to find a researcher's office without state-of-the-art Sun Microsystems, Inc., engineering work stations and DEC terminals hooked into advanced processors. One program VP said of the ambience at MCC: "God forbid someone would have to share an office. The only thing people worry about is whether they have an inside or a window office, and almost everyone has a window office. It's very much pampering—it's high-tech, high-touch" (Lowenthal, 1986). Inman (1986), however, cited researchers' 12-hour days, high-pressure work environment, and rigorous performance reviews.

Is MCC a small research company, or is it the luxurious research department of the largest high-tech "company" in America? Bill Luther (1986), a researcher and former entrepreneur, stated that "MCC brings big company management technology to bear on small company problems—not inappropriate if MCC is an arm of a lot of big companies, but often incredibly wasteful." Chief Scientist Pinkston (1986) articulated the logic of MCC: "There is an atmosphere here that these are world-class folks and they really know what they are doing. They are going to behave responsibly, so we're going to take their word for it and give them the tools they need to do the job." This philosophy has led to a quality of life in the workplace at MCC that may be one-of-a-kind in American business. Whether this profile is based on pampering and seduction, or whether MCC is developing a culture that approximates the Japanese *kaisha*, where the corporation becomes in a real sense the property of its employees, remains to be seen.

### **ASSESSMENT OF MCC'S OPERATING EXPERIENCE AND FUTURE PROSPECTS**

Any attempt to evaluate MCC's operating experience to date must be viewed as tentative and speculative. The company is only four years old,

and no significant research has yet emerged, let alone been transformed into new products and heightened U.S. performance in foreign competition. Nor would such expectations be reasonable at this juncture. Appropriate means for measuring the success of such accomplishments are by no means apparent. Inman's resignation further complicates matters.

However, there is much to be said in support of carefully circumscribed speculation. The issues involved are of great importance to the United States, a 4-year record does exist, and theoretical perspectives can help. Two conflicting views of the foreign economic challenge facing the United States will be reviewed briefly, as will Regis McKenna's ideas on innovation and product creation in high technology. These perspectives will then be used to address three issues that Inman identified as critical for MCC in an interview two months prior to his resignation. These issues are permanence, governance, and technology transfer. Finally, MCC's future prospects will be considered.

#### **MARKET AND INSTITUTIONAL VIEWS OF THE FOREIGN ECONOMIC CHALLENGE**

Yale economist Richard Nelson (1984), in his comparative study of high-technology policies in five countries, argues for a Schumpeterian or market-oriented U.S. approach to the challenge of foreign competition. Schumpeter's metaphor of "creative destruction" emphasizes the role of the entrepreneur in releasing energy and promoting efficiency in the capitalist engine through technological innovation. In this view the openness of the U.S. economy to new firms and ideas could be inhibited by government-sponsored industrial policy initiatives, as Nelson claims has been the case abroad. A due process and enabling role for government can help promote corporate efficiency; public policy becomes more of an epiphenomenon emerging from heightened market performance. The President's Commission on Industrial Competitiveness reflects much of this view. Its strong endorsement of the National Cooperative Research Act identifies the perceived roles for government and business (U.S. Executive, 1985).

The institutional or Pax Nipponica view asserts that Japan is well on the way to producing a new kind of capitalism (Johnson, 1985: 62; Vogel, 1986: 752; Abegglen and Stalk, 1985). The Japanese corporation or *kaisha* is a "deeply social" as well as economic institution with a new Japanese management style rooted in career employment security, pay and promo-



tion based on seniority, and an enterprise, or company-dominated, union system. Labor and management are two wheels on the same wagon (Carrol, 1986). The competitive performance of the kaisha at home and abroad has been greatly increased as a result. Government's primary role is to promote development and growth. Its policy instruments are intrusive, but designed to supply incentives through collaboration and market-conforming methods (Johnson, 1985: 61). Japan's success in foreign competition is seen as a consequence of major institutional transformations. This view focuses on the institutional rigor of the Japanese challenge, whereas the former emphasizes an American entrepreneurial response.

#### INNOVATION AND PRODUCT CREATION IN HIGH TECHNOLOGY

Regis McKenna (1984: 133-158) contends that much of the industrial policy debate embraces a "monolithic conception of the R&D process." Undue emphasis on aggregate financial measures of R&D investment obscures the reality that product creation involves several distinct but overlapping stages requiring the expertise and participation of a variety of institutional actors. In his view, high-technology innovation and product creation must be evaluated from three perspectives:

*The first*, the actual creation of a new product goes, through the stages of basic research, applied research, product development, and manufacturing/marketing. A tangible product exists after the third stage, but it does not become a purchasable, consumable, and economically viable commodity until it has been manufactured and successfully brought to the market.

*The second* perspective views successful product origination and delivery to the ultimate consumer as a series of institutional relationships among various government actors, universities, and small, medium, and large companies. Institutional participation varies in the different stages of actual product creation.

*The third* perspective emphasizes the financing, capital recovery, and profitability of each stage of product creation.

Direct linkage of aggregate investment in R&D with American competitive strength blurs these subtle distinctions. Government involvement typically has focused on the sponsoring and financing of basic and applied research. Small start-up firms have been the leading American performers in actual high-technology product development. Large companies excel

in manufacturing and marketing. Financing motives, forms, and sources vary by stage. R&D, in McKenna's view, is a misnomer; the appropriate term is product creation.

MCC itself is constrained by mission and law to the first (and perhaps the second) stage of product creation. Government has no involvement with MCC beyond its enabling legislative mandate. Financing of MCC is a direct function of its shareholder relations. The product development as well as the manufacturing/marketing stages are in the hands of the corporate shareholders, none of which qualify as innovative start-up firms; their efforts are further subject to successful technology transfer from MCC. In the following section, McKenna's product creation model as well as the competing views of the foreign economic arena will be employed to comment on the three issues that Bobby Inman cited as critical to MCC's future.

#### INMAN'S CRITICAL ISSUES

In response to questions about a critical issues agenda for MCC, Inman (1986) cited credibility and permanence, corporate governance, and technology transfer as his overriding concerns. Although they obviously overlap in terms of both perception of problems and possible remedies, each will be addressed separately.

*Credibility and permanence:* Major issues confronting MCC from this perspective are R&D performance and the implied shareholder payoff, the onset of annual shareholder funding of MCC, criteria for and selection of new shareholders, and exogenous environmental variables such as the state of the economy, tax revision, and the like.

MCC's commitment to basic/applied research is viewed as a "bottom up" managerial phenomenon; output is problematic as to timing and magnitude. However, MCC's shareholders have tangible expectations, even though the enterprise was viewed as a means to insulate such research from American management's short-term biases. In addition, both researcher satisfaction/retention and the magnitude and direction of new research initiatives are affected by performance evaluations of MCC.

MCC's initial 3-year funding commitment on the part of shareholders gave the firm a financial honeymoon or breathing spell. Annual program support budgets are now multi-million dollar commitments for each shareholder, and subject to annual review and acceptance. Performance,

and, by implication, MCC's credibility and prospects, are spotlighted as a result.

Three shareholders withdrew from MCC at the end of 1980 after having given the required one-year notice at year-end 1985. One company was acquired by a foreign firm, which disqualified it as a shareholder under MCC's bylaws. The second experienced financial difficulties, while the third withdrew as a result of changes in top management. In January 1987, however, shortly after Inman's departure, three more corporate shareholders announced their intentions to withdraw from MCC effective year-end 1987. Again, the publicly announced reasons were plausible: acquisition of a shareholder by a large conglomerate, sale of a shareholder by its conglomerate parent, and, in Lockheed's case, the intention to pursue research internally (*Electronic Engineering Times*, January 12, 1987: 1). Yet the magnitude and timing of the defections are noteworthy.

Future expectations for the firm are critical to new shareholder solicitation. Who should be approved, by what criteria, and at what price? The latter issue raises the puzzling question of evaluating and pricing MCC's accomplishments to date. Clearly, new shareholder recruitment is basic to the financing of MCC's future. The uncertain performance of the economy and of the semiconductor and computer industries has a direct bearing on the issues cited above. The Gramm-Rudman Act will effect the marginal investment opportunities of defense contractors. Reduced R&D incentives in the new tax law will adversely affect all potential new investors. The 75% reduction in the price of a share of stock in November 1986 seems hardly surprising (*Electronic News*, March 16, 1987: 40).

*Comment:* From a Schumpeterian perspective, MCC's uncertain future stems from troubles that might be expected in a dynamic marketplace. Inman's resignation was particularly unsettling due to his generally acknowledged entrepreneurial contributions to MCC's initial three years. Government was a procedural party to MCC's launching, but is appropriately not an ongoing actor in MCC's current market-centered quest for new shareholders, stability, and research breakthroughs. The performance of the new CEO, who assumed office on July 1, 1987, becomes a critical success factor for MCC, given the importance of entrepreneurship in this worldview.

McKenna's product creation model dramatizes MCC's dilemma regarding performance, for the company is clearly isolated from down-

stream stages of product development. Yet its performance and its attractiveness to present or prospective shareholders are directly related to downstream activities to which it is not a party and over which it has no control. Technology transfer (discussed below) becomes the critical link to subsequent shareholder performance in product development, manufacturing, and marketing.

The institutional or Pax Nipponica model highlights the fact that MCC's uncertain future stands in dramatic contrast to well-established collaborative practices among Japanese corporations engaged in similar research missions. An activist government committed to encouragement, stimulation, and discipline of high-priority research projects can accelerate the diffusion of technology through the stages of product creation in a variety of ways. Interaction between public- and private-sector actors is expected; markets are subject to creative manipulation by other than entrepreneurial means. Private corporations' strategic objectives are formally integrated with government's public policy objectives in foreign economic policy. From this perspective, MCC's quest for permanence seems hobbled by its limited mandate for collaboration under the antitrust laws. In addition, its leaders, as well as those of its shareholder corporations, are obliged to assess complex and costly risk/opportunity tradeoffs in relative isolation, despite the fact that the structure of high-technology product creation argues persuasively for more collaboration among a larger cast of institutional actors.

*Corporate governance:* This subject has been a major concern of managers and scholars studying the American corporation for a number of years. Dispersed and politically impotent shareholders, coupled with the proliferation of new social regulation in the late 1960s and 1970s, focused attention on governance in large publicly held corporations. Perceived concentration of power in an entrenched management free to control succession has provoked calls for numerous remedies: outside directors, board audit, compensation and social policy committees, codes of conduct, and shareholder activism come to mind, among others. Corporate legitimacy became a recurring theme that persists in a muted form in the Reagan era. MCC's corporate innovations seem to have turned this issue upside down.

Inman (1986) recounts taking over the reins as CEO of MCC in early 1983 in an environment rife with shareholder divisiveness and mistrust. Senior executives from the competing shareholder firms were sitting on the MCC Board of Directors in an atmosphere Inman described as "palpable with suspicion." A bylaws requirement prohibiting changes of

any kind without unanimous shareholder agreement was modified to a three-fourths vote after only 18 months of exchange. Negotiation of a master technology transfer plan required nine months, as did procedures for the sharing of information among research programs that had overlapping interests and needs, but differing compositions of shareholder sponsorship.

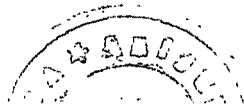
Although board emphasis now is directed toward MCC's research endeavors and operating goals, the lines of shareholder access to MCC outlined above are virtually unprecedented in American corporate experience. Several employees alluded to parochial tendencies among Program Technical Advisory Committee members and liaisons as well. The ACA program was successfully split into four separate programs after some dissension, but the fine line between productive shareholder guidance and special-interest "research turf" lobbying often seems blurred. The dual role of the liaison is difficult to sustain, given that the individuals are in residence in Austin and very much a part of the MCC organizational environment. Their ambiguous function spotlights the reality that MCC's shareholders are all but *de facto* joint venturers in a combined enterprise, yet that enterprise is artificially compartmentalized by legal design.

Inman expressed major discomfort over his lack of control over the implementation of technology transfer procedures. Although significant technology transfer is obviously a future agenda item, formulation of necessary procedures and organizational design require major anticipatory commitments of money, time, and talent, both at MCC and within the shareholder companies. Yet in Inman's (1986) words:

I can't get the companies to devote the talent and spend the money for equipment and training. They have got to make the decision for themselves. And I guess that is the area that I have the most discomfort because I can't control it. They know they paid out the money [for shareholder rights] and haven't seen anything yet.

Methods and criteria for new shareholder selection and future research strategy were mentioned as troublesome governance issues as well.

*Comment:* From the perspective of the product creation model, MCC is severely constrained in the exercise of corporate governance. Its narrow legal mandate and unique shareholder relationship inhibit integrated approaches to the management of the stages of the product innovation cycle and the associated institutional relationships and financing requirements.



The Schumpeterian view of the role of entrepreneurship in energizing technological innovation and dynamic market performance presumes executive power and latitude akin to that of the typical Fortune 500 firm. MCC's structure of diffused governance seems cumbersome by comparison. From the institutional perspective MCC seems constrained as well; the passive role of the U.S. public policy process precludes assertive governmental interventions to promote "diffusion" of technology in keeping with the functions of MITI in Japan. By virtue of its unique structure, it is caught between the two models, and deprived of the prime governance tools of both. Future governance at MCC appears to be a crucial and as-yet-unresolved issue of prime importance to the attainment of legitimacy, credibility, and permanence.

*Technology transfer:* As suggested above, this issue is perhaps the most crucial in addressing MCC's performance and its future prospects, for it is an indispensable prerequisite to transforming the fruits of research into actual products that make a difference in the international marketplace. MCC's very efficacy as a private corporation and its legitimacy as an instrument of U.S. foreign economic policy is clearly at stake. What Inman (1986) calls "receptor organization" is a critical success factor.

The shareholder companies have to commit substantial time and money to training, equipment, and organization just to establish viable conditions expeditious to fostering of the downstream stages of the product creation cycle. Product development, manufacturing, and marketing are major challenges of and by themselves. Inman stated that shareholders have evidenced "a mixed bag of response, some really moving out, others no visible sign of moving."

Technology transfer and the issues of governance are clearly inseparable. Inman implied as much when he expressed the fear that MCC "will end up creating technology two or three years ahead of the Japanese, and (then) the Japanese will show up with products in the marketplace at the same time." MCC's new CEO, Grant A. Dove (*Wall Street Journal*, March 5, 1987: 20), formerly of Texas Instruments, Inc., interpreted his role in similar terms. "Our mission now is technology transfer—getting the research done at MCC out into the world; that's clearly my challenge."

*Comment:* Technology transfer between MCC and its corporate shareholders is the essential means for joining research with product development, manufacturing, and marketing. However, MCC's organizational innovations as discussed above present obstacles to the flow and transformation of knowledge into product applications through the stages of McKenna's product creation cycle. Technology transfer at MCC is sore

pressed to employ either the management incentives of the market model or the public policy instruments associated with the institutional model.

The cumbersome and unfamiliar organizational relationship between MCC and its corporate shareholders is ill-suited for traditional market exchange based on bargaining, incentives, and strategic decision making. The corporate shareholders seem prone to relate to MCC more as typically passive securities investors than as dynamic parties to the creative potential of market-induced contracts. The MCC-shareholder relationship thus lacks the vitality of a market encounter.

Nor are the organizations joined. MCC management can cajole and exhort, but it cannot lead. Corporate shareholder management is preoccupied with its own strategic endeavors. The two-hat role envisioned for the liaisons as well as the other institutional linkages discussed above are as yet an inadequate basis on which to forge unified strategy formulation and implementation. Thus the entrepreneurial élan of the market model seems neutralized and benign, whether the parties are viewed as a whole or as engaged in market transactions. Yet technology transfer is a crucial variable for ultimate success.

John Zysman, Professor of Political Science at the University of California at Berkeley, and other witnesses at the congressional hearings argued for creation of government policy instruments associated with the institutional model to abet technology transfer in the United States. Zysman identified diffusion of technology as a "bottleneck" in the high-technology R&D process. The Japanese government engages in a "web of policies" designed to accelerate diffusion and reduce the impact of the bottleneck on the delivery time of high-technology products to the ultimate consumers. The goal of the Japanese market interventions is not to replace market forces in the technology transfer process, but to enhance their effectiveness and utility. Thus the government becomes a "domestic promoter" and an architect of "controlled competition" in pursuit of heightened market outcomes. It may induce intensive domestic competition or structure and contain competition as its public policy objectives dictate. Specific policies may encourage joint R&D ventures, restrict freedom of market entry to firms that comply with efficiency requirements as defined, allocate market share, and manipulate risk/opportunity tradeoffs in a variety of other ways. In Zysman's own words:

It [the Japanese Government] has been a domestic promoter, an active player in the market providing funds to encourage R&D, to allow financial expansion of firms that may have developed an appropriate product or

markets for new products, through promotion efforts for the users, and where necessary actually structuring the terms of competition [U.S. Congress, 98th b: 79-83].

In addition, of course, the Japanese government acts as a "gatekeeper" to control the access of foreign firms to its domestic markets.

The appropriateness of Japanese governmental practices to the American polity is beyond the scope of this article, but the sharp contrast of the use of the public policy process in the institutional model to the limited goals of the National Cooperative Research Act is apparent. MCC was granted only limited access to the rigor of the market model. It is also obliged to promote technology transfer with major corporations participating as shareholders in a new and unfamiliar corporate role. The managerial learning curve confronting MCC as it grapples with Inman's third critical issue gives pause. Inman, interestingly, is now CEO of Westmark Systems, Inc., a closely held defense electronics holding company.

## MCC AND THE FUTURE

MCC's organizational innovations certainly identify the company as a new corporate artifact of major interest and significance in American business. The National Cooperative Research Act of 1984 also represents an important American public policy initiative to promote R&D and the performance of American business in international markets. MCC's future prospects can be considered in both dimensions, as an innovative private company, and as a *de facto* instrument of U.S. foreign economic policy. The market and institutional models as outlined above suggest different scenarios for MCC.

In terms of the Schumpeterian view as developed by Nelson, the dynamic and unpredictable characteristics of markets necessarily limit prediction. Nevertheless, from this perspective, MCC's future could be viewed as promising. Legislation provided a remedy to antitrust constraints deemed obsolete as a result of the growth and transformation of international markets. Entrepreneurial opportunities abound within both MCC and its corporate shareholders. MCC's revolutionary research should trigger the process of "creative destruction" within the shareholder corporations. Innovative product development, manufacturing processes,



and marketing will convert the new technology into enhanced U.S. performance in foreign markets.

McKenna's stages of product creation are also market driven; the output from MCC's research mandate will not be dissipated by bureaucratic conundrums of corporate governance. It will mature and achieve fruition via technology transfer shaped by the powerful incentives of market forces. The government's enabling legislation has provided new impetus and opportunities for the entrepreneurial spirit to reassert the competitive vitality of American capitalism.

From this market perspective, subsequent applications under the National Cooperative Research Act promise a multiplier effect. Intrusive government policy instruments associated with the institutional model are rightfully confined to the Department of Defense's special role in the American political economy. If future events so dictate, the NCR Act's circumspect modification of antitrust law could be incrementally expanded downstream, and perhaps even supplemented with direct government funding for select R&D research consortia like MCC (Nelson, 1984: 81). Inman's departure was a setback to be sure, but others will carry the entrepreneurial baton. Thus, although the evidence is inconclusive from the Hill Country of Texas, the prognosis is encouraging. MCC should prosper as a private corporation, and play a prominent role in the revival of American economic performance abroad.

In contrast, the institutional model suggests that MCC is beset with severe problems that threaten its viability as a private corporation and severely limit its potential as an instrument of international economic policy. Inman's critical issues agenda serves to highlight MCC's weaknesses when compared in kind with its Japanese competitors. The narrow framework enunciated by the limited antitrust exemption hobbles MCC when its mandate is evaluated in the context of McKenna's high-technology product creation model. In addition, the American polity is ideologically opposed to the use of public policy instruments like those employed by the Japanese government to assist Japanese firms in effectively bringing the fruits of high-technology research to the international marketplace.

MCC begins to look like a corporate hybrid of sorts very much on its own in a world market dominated by competitors that are shaped and sustained by the institutional model. Its quest for permanence, efficacious corporate governance, and productive technology transfer must mature from within, while it grapples with foreign competitors that are both nurtured and disciplined by public policy processes explicitly committed

to heightening their respective nations' international economic performance. From the institutional perspective, the future tasks facing MCC seem formidable indeed.

MCC bears close attention from scholars of business and public policy, international business, and strategy alike. Whether MCC turns out to be a successful private corporation depends largely on the ability of its shareholders to transfer the technology into viable market products capable of producing significant profits for the shareholders. Its future as an effective U.S. public policy instrument is much more puzzling. The contrasting models of the foreign trade arena employed above obviously reflect the ongoing debate on the appropriate role of government in addressing the challenge of foreign competition. Whether the emphasis in business-government relations tilts toward instruments of authority or exchange is one of the great unanswered questions of our time (Lindblom, 1977). MCC can thus be viewed as a bellwether of sorts for future directions in American capitalism. For this reason as well as for its distinctive innovations, it bears close watching.

## NOTE

1. Interviews at MCC cited in this article were conducted in Austin, Texas, in 1986. MCC personnel interviewed included J. Hanne, vice-president, VLSI/CAD Program; G. Lowenthal, vice-president, Data Base Program; W. Luther, research engineer; J. Pinkston, chief scientist; and R. Ruitishauser, vice-president, finance. Bobby Inman, MCC president, was interviewed by phone in Austin, also in 1986.

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# ADMINISTRATION & SOCIETY

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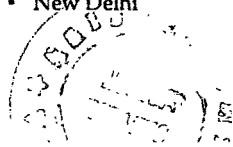
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## FROM THE EDITORS

Recently *Administration & Society* received a note of appreciation. This is a relatively rare event, but it has happened from time to time and it usually involves nice things about the quality of reviews. Our board and our guest reviewers do an excellent job and certainly deserve recognition. Anonymous, careful, constructively critical reviews are the very heart of the academic enterprise and all of us connected with *Administration & Society* can be proud of the quality of our reviews.

Herewith are the relevant sections of the letter and a list of our guest reviewers during 1987 and 1988. Our sincere thanks to them.

Dear Professor Wamsley:

This is a note to express my appreciation for a very fine review of my manuscript. I have published a few articles lately which have dealt with some of the implications of new technology for public administration. This manuscript follows one of several tangents which I have been exploring and it has been the most problematic for me. To be truthful, I felt it was a bit of a long shot with its "new age" references and the like, but I had exhausted local comments and felt it needed a first class review. I chose to send it to *A&S* for its first review because you have a reputation for quality reviewers. I was certainly not disappointed.

I have several other pressing priorities, so I will not be resubmitting the present manuscript. The reviews, however, have substantially helped me in advancing my thinking. I suspect you rarely hear from those of us who choose not to revise and resubmit when we fall into that category, and I thought you might like to hear a word of thanks and encouragement to keep up the fine work which your journal is providing.

---

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*In her efforts to revivify the British economy, Prime Minister Margaret Thatcher has been attempting to promote societal values that will support the creation of an "enterprise culture." To do so, she has been doing battle with the consensual economic planning undertaken by business, unions, and civil servants known as tripartism and the gentlemanly ethos underpinning such arrangements. Her broadsides against such members of the British gentlemanly culture as the Tory grandees in her own party and members of the higher civil service have been aimed at replacing the British gentleman with a new ideal type more suited to lead her "capitalist revolution."*

## ***BUSINESS AND THE CONSERVATIVES***

### ***Ideology, Social Class, and Economic Change***

CANDACE HETZNER  
*Fordham University*

And thrift is blessing if men steal it not [Shylock in *The Merchant of Venice*].

England a commercial country! Yes; as Venice was. She may excel other nations in commerce, but yet it is not that in which she most prides herself, in which she most excels. Merchants as such are not the first men among us; though it perhaps be open, barely open to a merchant to become one of them. Buying and selling is good and necessary; it is very necessary, and may, possibly be very good; but it cannot be the noblest work of man; and let us hope that it may not in our time be esteemed the noblest work of an Englishman [Anthony Trollope, *Doctor Thorne*].

**The difficult thing for political scientists** is that no sooner do they articulate a body of theory and point to some instances of political behavior that seem to support that theory than the polity seems suddenly to say, with apologies to Peter Winch, "The *idea* of a social science!" and sets about gumming up the works. One of the most discouraging or encouraging, depending on one's views of the mission of the social

sciences and/or social democracy, examples of this kind of civic mischief has been the behavior of the English political system since the advent of the Thatcher government in 1979. No sooner had we declared the twilight of party and parliament; the eclipse of ideology; the darkness of pluralistic stalemate and systemic overload and collapse; and the dawning of advancing corporatism, liberal corporatism, or tripartism, then the polity elected a Conservative government headed by Margaret Thatcher. Since she became prime minister, Great Britain has been witnessing the conflagration of Butskellism and tweedle-dum-tweedle-dee parties: Out of the ashes of consensus has arisen an ideological phoenix carrying the parameters of public debate and policy farther to the economic right, that is, toward more individual freedom and less government intervention. She has accomplished this by wresting control of the party from the Tory paternalists and grandes, shunning tripartist consultation and planning in favor of tapping the intellectual resources of laissez-faire think tanks such as her own Centre for Policy Studies or the Adam Smith Institute or like-minded businesspeople and organizations, making appeals to the public in terms of what she calls "Victorian values," and finally using the programmatic power of her parliamentary majority to make a fundamental break with the economic policies of the past several decades.

### THE NATURE OF THE MALAISE

The British economy has been suffering from both relative and absolute decline. Even though the English standard of living and productivity have until recently steadily increased since the 1950s, Great Britain has been slipping relative to her industrialized competitors. As commentators such as Peter Riddell (1985) and Andrew Gamble (1985: 15) have elaborately documented, the rate of growth and output per head have lagged badly behind the country's competitors. For example, in the decade 1962-1972, the British rate of growth was 2.2% compared to the United States at 3%, Japan at 9.2%, and France at 4.7%. Real GNP in Great Britain grew by 3.7% from 1979 to 1984 compared to 10.5% OECD real GNP (Gamble, 1985: 15). In 1985, Britons learned that both their output per person per hour as well as their standard of living had fallen below that of the Italians, a people, in the words of R. W. Apple (1985), then the *New York Times* London correspondent, "whose wine and sunshine they may envy, whose past musical and artistic triumphs they may admire, but whom they have never taken terribly seriously as a nation-state."

The fact that as the twentieth century has progressed, discussion of the decline of the British economy has been coming close to constituting a major industry not only says a lot about the extent of the problem and increasing public concern with respect to it but also bespeaks something about the source of the economic problem as well. What have been called the English "talking classes," that is, those members of various English elites sharing a common culture embracing similarities of values, manners, and style reminiscent of the traditional aristocracy and gentry, would rather discuss economic decline than right it.<sup>1</sup> This is a culture that has inherited the profoundly antibusiness values to which the aristo-gentry has subscribed since the rise of industrialization.<sup>2</sup> What are these values? Their positive expression lies in the veneration of the gentleman who embraces the pursuit of leisure (if "pursuit" is not too "ungenteelly" active a verb—perhaps "amble toward" would be more appropriate) both in terms of the pastimes that embody it and the kinds of livelihoods that can sustain it. The twentieth-century English gentleman has cultivated the essentially rural pastimes inherited from the preindustrial upper classes. He is prone to live in the country or to own a country house if forced by necessity to follow a profession in town. Though he may indeed enjoy the intellectual and cultural life of London and even take in the opera or ballet, he is most at home when shooting grouse for Sunday dinner, strolling with his dog down a grassy footpath toward his village Norman keep, uncorking a favored claret, or admiring his new chestnut foal. Where he is most decidedly uncomfortable is in the suburb, a no man's land of parvenus experiencing neither the humanism of the city nor the natural harmony of the country. Thus one finds Lord Randolph Churchill in the late nineteenth century referring to the M. P., W. H. Smith, the bookseller, as one of the "bourgeois nonentities," the Lords of suburban villas, the owners of "pineries and vineries" (Hampden-Turner, 1983: 97). Or, in the twentieth century, former Prime Minister Harold Macmillan's "I'm always rather depressed by the rootlessness of modern Britain, particularly in the South. To think that within twenty miles there are eight million people leading suburban lives" (Sampson, 1982: 35).

Although the English modern gentleman may cultivate the way of life of the landed, preindustrial classes, he has increasingly since the nineteenth century financed his rural persona from sources other than the land. As primogeniture seriously limited the number of those who might assume the gentlemanly mantle as a result of inheritance of property and as technological advances in agriculture itself placed even more severe limitations on the possible number of gentlemen who could support

themselves at a level appropriate to their station, the English upper classes have sought other means of livelihood. The clergy, military, and the law had acted as the traditional professional avenues for the second, third, and so on sons under primogeniture. As the nineteenth century proceeded, the higher civil service joined the list, and, as time has gone by, academia, journalism, the arts, and even medicine and banking—though the latter two have had a bit of a struggle—have become incorporated into the gentlemanly ideal. Why these occupations? What is it that they have in common? First of all, they have been ones where money has not directly changed hands, an exchange of shillings for service, with the exception of medicine, where originally the physician accepted money upon attending a patient—hence the slight status problem with being a doctor. Likewise, banking has been in some difficulty over the money at its essence but has been acceptable insofar as bankers invest at some remove from the actual handling of currency. Similarly, accountants have risen in status in this century because they manipulate the symbols of money, not money itself.

Often it is said that what the gentlemanly professions really have in common is a lack of specialist or technical expertise, that they represent the cult of the amateur. This observation seems both true and untrue: On the one hand, some of these occupations such as that of cleric or pundit do seem to lend themselves to amateurism, and on the other hand, occupations such as barristers and doctors do seem to require some modicum of specialist expertise. What the amateur characterization most adequately describes is something about the conduct of professions and as well as something even more fundamental about the superfluity or contingent nature of these professions to the actual societal role or function of the gentleman.

The description “amateur” refers less to what it is one is required to know to practice these professions than to how one is required to conduct oneself in such practice. Of course, the royal navy man must surely know fore from aft; the doctor, anterior from posterior; the novelist, prologue from epilogue; in short, each must at least know which end is up. But above all the professional man is required to act like one, which is much more a matter of manner, tone, and style than substance. He must engage in his profession in a way that appears effortless, restrained, civil, moderate, and witty. He must be master of the verbal joust, the *bon mot*, the *mot juste*, gliding toward his audience in mellifluous upper-class resonances—be they aristocratic, Oxbridge, or even nowadays BBC. He cannot appear to be the serious, hardworking technician who must strive to master the

skills of his profession in order to make his way. The case of the English amateur is thus one where "the gentleman doth profess too little."

It is this "manner maketh man" aspect of the conduct of the gentlemanly professional that is connected to the other aspect of the cult of the amateur. The true gentleman, no matter his various money-making professional incarnations, has but one true calling: His real role is to lead, govern, rule, and dominate the mass of less knowing, vulgar elements in society—the *agathoi* exercising dominion over the *hoi polloi*. This paternalistic *homo genteelis* is the direct evolutionary descendant of ancient feudal and Elizabethan organicism: One can trace his growth from the ranks and roles of Elizabethan England to the statuses and stations of eighteenth and nineteenth centuries to the offices and obligations of the present day. Though the basis of his entitlement to rule has changed over time, less birth than merit; nonetheless, his function has not. He is still there to be a protector of the people, a governor of the affairs of state, an embodiment of the civic virtues, and a standard bearer of all that is correct in matters of taste or intellect or conscience.

Commenting on the chilling effects of this class and its values on the British economy, Charles Hampden-Turner (1983: 1), a London Business School faculty member recently returned to Great Britain after sixteen years abroad, has written:

Armed with a master's and even a doctoral degree from Harvard, why have I not thrown my entire energies into an industrial battle of Britain? Why do I beg fellowships from Rockefeller and Guggenheim and join that swelling band of post-industrial pontificators, who sit upon the aching back of industry? It can hardly be the lack of incentives. My classmates at Harvard must be earning, on average, somewhere in the region of \$90,000 a year, mostly in the service of large corporations, yet I cannot bring myself to join them. From the standpoint of the values by which I was brought up, to go "forward" economically would be to go "backwards" in self-fulfillment. Could at least a section of this country be experiencing a dilemma similar to mine?

He then goes on to lay bare his personal history and to explain:

If there was one abiding theme in my upbringing—one idea that held all others in thrall—it was the necessity for a commanding social presence. To be a gentleman, or to become one of the many modernistic transformations of a gentleman, was to command the attention of others with grace, style, wit, eloquence, self-possession and infinite subtlety. There were many other values, of course, intelligence, affection, wealth but these were mere

resources to be pulled centre stage on cue. The purpose of life WAS that stage itself, a scenario where ultimate ideas and great passions would play themselves out around me. And I was curiously dismissive of all those subjects that did not lend themselves easily to social fluency; i.e., science, technology, industry and similar subjects known to make people conversationally dull. I expected such people to work BEHIND the stage [Hampden-Turner, 1983: 3].

Hampden-Turner, as with all others who have written on the topic, does not limit his socialization discussion to the effects of home and hearth but also discusses the role of the public schools and Oxford and Cambridge in further enculturating the gentlemanly ethos into those already possessing the values by way or family or by tutoring barbarians not so familiarly blessed. The steady bias of these institutions, as with the classes that support them, is profoundly humanist, antispecialist, antitechnique, and finally antibusiness.<sup>3</sup>

As with all class-based social orders and snobberies, it is important to note who and what is excluded from the elite as included. The English gentleman is thus not, with rare exceptions, a product of state secondary education or redbrick or other new kinds of universities; he is not a non-Conformist in his religion; the hardworking ethos of Calvinism or Wesleyanism is not for him; he is not from nor a resident of the industrial north; he is not an engineer or any other kind of applied scientist; a salesman, a manufacturer, or any other producer of things; he is not a businessman.

In short, the English talking classes would rather talk about the plight of the British economy than do anything about it. The culture is simply hostile to the values, professions, and behaviors deemed essential to economic productivity by the standards of most modern industrialized countries. Needless to say, the English social order includes more than its elite: It also includes the disdained technicians, manufacturers, and other assorted producers and makers of things and the working classes who have traditionally been as hostile to business as the elite. Despite the fact that Great Britain's current economic woes lie in both the top and bottom strata, this article has, nevertheless, chosen to concentrate on the effects of elite values and behavior for the following reasons. First of all, as an elite it tautologously does dominate and hence its views and values have permeated the culture so that a lot of the strong prejudice against business found in other classes is presumably owed at least in part to the influence of the upper classes. Second, because these elites tend to speak and act authoritatively, these are the people who could effect changes in public

policy that are critical to the revivification of the English economy. For example, these are the people who could reform the educational system in directions that would provide a more literate, numerate, skilled, technologically proficient work force. Third, these people, because of their privileged backgrounds, constitute an important set of intellectual and financial resources for helping to cure the British disease if they were not antipathetic to getting directly involved in the economy.

### LORDLY DISCONTENTS

Quite interesting in this regard has been the recent 1985 House of Lords *Report from the Select Committee on Overseas Trade* (Great Britain, 1985) in terms of the evidence collected, analysis, and prescriptions. The Lords, of course, are almost by definition walking exemplars of the gentlemanly talking classes, whether Conservative or Labour. It should, perhaps, be added at this juncture that the natural habitat of *homo genteelis* is most often in the Conservative party, but he may also be found in significant numbers among the intellectuals in the Labour party, such is the hegemony of the aristo-gentry culture.

The Committee revealed, to no one's surprise, that a serious problem existed with regard to the United Kingdom's balance of trade in manufactures (Report, Vol. I: 7). In addition, the Lords pointed out: "Because of relatively poor export performance and import penetration, manufacturing has suffered at a time when growth in the economy has also been low . . . a fall in manufacturing output of 14½ per cent in just two years 1980 and 1981. . . . While GDP has risen over the period 1972-84 taken as a whole, manufacturing output as a percentage of GDP has declined—from 28 per cent of GDP in 1972 to 21 percent in 1983—and the trend appears still downward. It is clear that manufacturing industry has been declining for the last decade in both absolute and relative terms" (Report, Vol. I: 4). The Committee thus broadened its original charge "to consider the causes and implications of the deficit in the United Kingdom's balance of trade in manufactures; and to make recommendations" (Report, Vol. I: 5). They said that "trade in manufactures and the output of manufacturing industry are indissolubly linked. The Committee therefore took the view that their orders of reference required them to consider the problems of the deficit in the balance of trade in manufactures in the wider context of the problems of manufacturing industry as a whole."



An examination of who made up the Committee and who did not, who gave evidence and who did not, and what the Committee concluded and did not is highly instructive with respect to the role of cultural variables in holding back the English economy (though, if this analysis is correct, presumably not always in the ways the Lords would have thought) and is also illustrative of what it is the Thatcher government has been working to combat. When the Committee reported its findings, numerous journalistic commentators and critics of Thatcher's economic policies expressed surprise at the hostility of the Thatcher government's response to the Committee's findings and contended that the Report said many of the same kinds of things about the country's economic woes as had members of the government.

The pundits and critics were, however, only partially correct: Yes, there were substantial points of agreement, but there were also major points of disagreement. All parties, witnesses, Lords, and the government have agreed that Great Britain has been suffering from cultural values inimical to economic growth. Reminiscent of the observation of Ernest Bevin over forty years ago that "the problem with my people is their poverty of desire," Lord Weinstock, chairman of General Electric Company and a man of substantially different background, party affiliation, and worldview from Bevin, nonetheless, had this to say to the Lords:

There are other things besides management which need improving. One of the characteristics of the British is that they do not get carried away by ideologies [sic], or by demagogues, but the reflection of that lack of passion carries over into ordinary life. They do not care quite so much. They are not so anxious to have another motorcar, a fourth television set or two holidays in Spain or Italy. They are content with a reasonable standard of living and they are not prepared to go to the extremes of the Japanese who, the saying goes, look for the last grain of rice in the box [Report, Vol. II: 472].

In particular, those giving evidence emphasized the difficulty of recruiting top people to industry and of obtaining technically proficient individuals and more often than not spoke of the problems with schools in these regards. For example, the London Chamber of Commerce and Industry wrote the Lords: "A variety of reasons of a long-term nature have been factors in the relatively faster decline of manufacturing in Britain. Many of these go deep into our history. For example, the gentrification of the descendants of the original entrepreneurs of the industrial revolution

and the bias in the English education system which accompanied it." Norman Tebbit, then secretary of state for Trade and Industry and Conservative party chairman, testified:

I think it is perhaps above all for those in industry to carry its flag and to help us to change the culture. How many companies do enough to send not just the chap they can spare but people who they wonder if they can spare into schools to try to talk to school teachers, to begin to influence the view that youngsters at school have of what sort of jobs they will be seeking and how they regard various sectors of the economy? I have a suspicion that even in some of our most famous institutions of academic excellence there is a tendency toward regarding industry as merely the thing which is there to actually provide them with the money to keep them in the style to which they are accustomed; it is not to be compared with the sheer excellence of a life in academic contemplation or in administration or far out research either of the ultimate nature of the universe or ultimate nature of man [Report, Vol. II: 704].

Sir Hector Laing, chairman of United Biscuits, sent the Committee a memorandum in which he maintained that "it is important to develop close links with schools and universities, both to break down academic prejudices against 'filthy lucre' and to give them a better understanding of what the business world needs from them if their graduates are to make a useful contribution to the nation's ability to earn a living in the world" (Report, Vol. II: 402). And finally many representatives of industry and government expressed concern over the lack of a highly qualified pool of engineers and technicians. Companies as diverse as Marks and Spencer, British Aerospace, and Plessey claimed that they had difficulty finding technically proficient employees. In the words of Lord Sieff, chairman of Marks and Spencer, "In the schools, engineering, industry and commerce are looked down on by headmasters as not a suitable profession for their pupils. Although to some extent it is the fault of the industrialists, those concerned with engineering, not putting it over sufficiently strongly enough in the schools, it is much more the fault of headmasters and those who teach in the schools who make it appear that this is really rather an inferior job to undertake" (Report, Vol. II: 352). After hearing such testimony the Lords concluded that indeed Great Britain has possessed, at least since the nineteenth century, a cultural climate that has been less than favorable to business (Report, Vol. I: 56).

With this and most of the Lords' conclusions, as well as most of the Lords' recommendations concerning the need for altering cultural values

through reforming the educational system and the use of informational programs such as Industry Year, the Thatcher government could presumably be comfortable. But beginning with at least one of the recommendations in the Lords discussion of cultural values and moving on to the rest of their conclusions, the Thatcher government was bound to be unhappy. The Committee called for "a need for consistency and continuity of government policies, particularly fiscal policies, aimed at ensuring the health and success of manufacturing industries. . . . Manufacturing decisions have to anticipate conditions far beyond the term of any one Parliament" (Report, Vol. I: 56-57). The Committee then continued with its conclusions on national attitude and said that "all people and all sections of society whether they be politicians, managers or the workforce, industry or financial institutions, or the media or consumers—need to acquire a common understanding about the vital place in the life of the nation of manufacturing and trade which transcends party political ideology" (Report, Vol. I: 57).

Herein, one suspects, the rub began. For in the earlier Butskellite years, Conservative governments would not likely have taken umbrage: The first quote would either have been simply reinforcing or intended for radical Labour and the second quote would either have been nonsensical, since Conservatives were alleging they had no ideology, or intended for radical Labour. However, the present Conservative government has marked a significant set of economic policy breaks with the past rooted in an ideology that includes strong elements of antistatism although it contains some strong elements of statism as well, as any member of the Greater London Council can only too readily attest.

But these were not the Report's only sources of irritation for the Thatcher government. The Lords went on to criticize the government's handling of macroeconomic policy with respect to such issues as too high interest rates, unstable exchange rates, few tax concessions for industry, and too little government support for or promotion of industry (Report, Vol. I: 61-63). With these criticisms as their opening volley, the assault became even more confrontational as the Lords approvingly quoted the testimony of Sir Hector Laing: "The present government has in effect made a virtue of not having a vision of the future of British industry, and a positive policy of distancing the state from the industrial sector" (Report, Vol. I: 63). The Lords then proceeded to endorse those witnesses who had recommended increasing consultation among business, government, and trade unions through a reinvigoration or adaptation of the machinery of the National Economic Development Office or its national or regional

councils or some other kind of consultative body capable of thinking through an industrial policy (Report, Vol. I: 64). Thus in the final analysis the Report was not only an indictment of the government's laissez-faire policies but also of the government's tilt against tripartist consultation and efforts to engage in consensual decision making.

The kind of evidence taken by the Committee and the Committee's recommendations would not, of course, have taken the government entirely by surprise, for the cast of most of the Committee members as well as most of the witnesses was overwhelmingly opposed to Thatcherite economic policies. The Lords' Committee itself was made up primarily of Tory grandees or wets such as Lord Aldington, or Lord Selsdon, or Labour peers such as Lord Kearton or Lord Beswick. With a few exceptions, such as Lord Rayner and Lord Sieff, the witnesses were not drawn from the ranks of Thatcher supporters. Nowhere do we see representatives of think tanks or organizations such as the Centre for Policy Studies, the Adam Smith Institute, Aims, the Institute of Directors, industrialists such as Lord James Hanson, or David Wolfson, known to advise the Prime Minister with regard to economic matters. In addition, none of the very top donors (£60,000 and over) (Trade Union Coordinating Committee, 1985: 11) to the Conservative Party during the Thatcher years was called upon to testify, for example, Taylor Woodrow, the country's largest construction firm and active supporter of the government's policies. Only six of the thirty major contributors (£25,000 to £94,050) (Trade Union Coordinating Committee, 1985: 11) were invited. Those who were asked were representatives of nationalized industries, civil servants, the Confederation of British Industry, the Associated Chambers of Commerce, various unions, a number of firms whose main customers have been government in one guise or another, for example, the Tory Lord Weinstock of GEC, and some industrialists who have traditionally supported the Labour Party, for example, Lord Villiers, or more recently the Social Democrats, for example, John Harvey-Jones.

From the Thatcher government's perspective, the very composition of the Committee and its witnesses was symptomatic of the very illness they were seeking to remedy, for the participants in the Lords' investigation were overwhelmingly representatives of the forces of consensus and consultation. According to Mrs. Thatcher and other dries, a good part of government's failure since the war to improve Britain's economic performance has been the result of the dominance of the consensual-consultative *Weltanschauung* or style in policymaking—a mindset and manner that is part and parcel of the gentlemanly persona.

On the Thatcher analysis, what was needed to get the economy moving again was a break from the politics of consensus—that combination of excessive democratic participation and compromise. Thatcherism had boldly acknowledged what Jack Hayward pointed out in the early 1970s that Britain had suffered not from tripartism but from “toothless tripartism” (Hayward, 1973: 406). Referring to attempts at planning in the 1950s and 1960s, Hayward observed: “It was believed that consensus could be reached by compromise between government, business, and trade unions. . . . A Conservative government, at its wits end, clutched at planning as one more expedient to evade unpopular policy choices” (p. 407). Thatcherite antitripartist or anticorporatist policy recognized what many corporatist political science accounts of politics in Great Britain have not: That corporatist modes of analysis have inaccurately or inadequately characterized post-World War II British politics. Thatcher has not, as have a number of scholars, confounded consensual style or the politics of consensus with consensus. Despite the best efforts of the talking classes in the civil service and the upper echelons of business, that is, in the bureaucracies of big business and of large interest group organizations to get industry, government, and the unions to talk their way into prosperity, efforts at tripartism have failed. England has continued to be markedly lacking in consensus, whether measured by the inconvenience of the “winter of discontent” or the misery of the miners’ strike, the secession of much of the Fabianist strain of the Labour Party into the SDP, or arguments between the CBI and the trade unions.

According to Thatcher, what was needed was a true vision of the future, the leadership to effect it, and the ultimate satisfaction of the polity with its results—and then perhaps consensus as the result of policy, not as the precondition of making policy. As the prime minister explained in 1979: “The Old Testament prophets did not say, Brothers I want a consensus. They said: This is my faith. This is what I believe. If you believe it too, then come with me” (Kavanagh, 1985: 8). More recently, in 1986, touting her successes in curbing the trade unions, increasing private ownership of houses and industrial shares, and taming inflation, Thatcher said: “Seven years ago, who would have dared forecast such a transformation of Britain? This didn’t come about because of consensus. It happened because we said: this we believe, this we will do. It’s called leadership” (*The Times*, October 10, 1985). Nevertheless, Thatcherism had at its core this attack on the Tory establishment and the establishment generally. In a profile of Thatcherite Norman Tebbit, *The Times*, attributing his rise to preeminence to being a man for the hour, explained:

There was to be a less grand Tory party with room for "us" as well as "them." It would be a party to represent the ordinary citizen who was no part of Whitehall, or the C.B.I., of the T.U.C. This new plain man's party would need the plain man's voice, not just his accent (which Ted Heath could supply) but his articulation. And suddenly came the man from Epping, elected to parliament in 1970.

From Norman Tebbit his colleagues heard with growing delight the genuinely querulous phraseology of the great excluded, wanting to know what THEY were doing with OUR money.

It rang true then and rings true now—the language of the native, shrewd Englishman who will not be put upon, by Socialists, snobs, tyrants or anyone else, and who is convinced that he knows what is right and that most people would agree with him [*The Times*, October 10, 1985].

Many of the same qualities might well be attributed to the prime minister herself. Although she has not been so often depicted as "a diamond in the rough" as has Tebbit—and quite reasonably so, with her Oxford degree, her barrister's status, and her elocution lessons—nonetheless, her studied bluntness, her appetite for hard work and a desire to boast of it, her roots in Midlands Methodism, and the laissez-faire Liberalism of her small businessman father surely indicate her removal from the ethos of the Tory grandees and paternalists as well as their compatriots outside the party. So clear is her remove from the old shire Tories, in the minds of the British public, that a favorite British situation comedy, "Til Death Do Us Part", regularly makes the nation guffaw when its working-class Tory leading character delivers lines roughly like "What can Mrs. Thatcher know, daughter of a Grantham grocer?" The Thatcherites in launching their attack on the old elite have even claimed to represent the broad mass of the British public, to be in touch and in tune with true English values and attitudes—those that can not be heard above the cacophony of upper-class chat. Certainly at least Tebbit and Thatcher seem adept at gaging the popular pulse; in particular the prime minister excels at it.

Nevertheless, attempting to explain the Thatcher phenomenon either as emanating from a trend toward populism in recent years, which has been underpinning Conservative neo-liberalism, or as constituting populism itself, is a mistake. In the first place, it is unclear what populism with a small "p" means. Despite its prodigious use, the word does not exist in the *Oxford English Dictionary* or any other for that matter. Two movements called populist have existed, one in the United States, espousing such things as regulatory control, easy money, and antagonism to big

business, and one in the USSR, espousing collectivism, but neither bears much of a resemblance to Thatcherism. Perhaps all that the label is intended to convey is Samuel Beer's (1982) "collapse of deference" and erosion of regard for the virtues of the civic culture. But it is unfortunately unclear from his account what makes this populism, and because he devotes so much attention to the left in this connection, his account is not terribly helpful in understanding a populism of the right. There may indeed be a kind of peculiarly English populism that could be usefully labeled so, but so far no one has attempted to provide a coherent account of it, as, for example, did Richard Hofstadter (1955) for the United States, or has convincingly argued the case for the use of the nomenclature. Perhaps political observers have simply been confusing the words *populism* and *popular*.

Certainly, interviews of Conservative party officials or party activists, wets and dries, Thatcherite insiders and outsiders, reveal no populist explanations for understanding the rise of Thatcherism and neo-liberalism. Far and away the most typical wet explanation of Thatcherism involved an historical account of how Thatcher only accidentally assumed the party leadership, and how the disarray of Labour and the Falklands factor catapulted her into the position of prime minister twice. The final judgment in all cases was that although they were out for a bit, the true Tories would return, for, after all, the Thatcher phenomenon was only temporary. For example, these comments about Thatcherism from a wet junior minister:

I tend to be rather Shavian about these matters. There are many theses about what has happened in the Tory party—the populist element overtaking the gentry; laissez-faire liberalism overcoming corporatism and the middleway. . . . It is more Thatcher than a policy shift in the country. I don't think she represents a populist push or Poujadism. The Conservative Party has not undergone a revolution—many of her ministers are left, center-left. There are really only a few Tebbitts and Lawsons in her image. It's not forever. And it's not really a class issue. . . . What you have, and this is not a racist comment, is a lot of Jews—outsiders—the Wolfsons and so forth.

Though many others of those interviewed who were not in the Thatcher camp did not focus on the role of Jews in this government, the above was not an unusual remark. However, all non-Thatcherites characterized the Thatcherites as "outsiders."

Now surely objectively neither Mrs. Thatcher nor her economic guru and in some sense mentor, Sir Keith Joseph, have been "johnny-come-

lately's" to the Conservative party. Nonetheless, the outsider characterization seems a fairly accurate depiction of Thatcherites in two senses: (1) They may be outsiders socially—those from outside the old boy network of Tory patricians—or (2) outsiders ideologically—those from outside the party such as libertarians or other proponents of laissez-faire who have only since the advent of Thatcherism become Conservatives. Indeed interviews with many of the most ardent Thatcher dries substantiated much of the accuracy of the "outsiders" description. Frequently, I asked questions about the changing class composition of the party. Normally, they offered, though far less colorfully, some variant of these remarks of a Thatcher insider:

Well, of course, Mrs. Thatcher isn't a proper Tory lady, is she? She really doesn't know how to act like one. I go to No. 10 for dinner and there is the Prime Minister at my elbow saying, "Would you like some more cauliflower?" and carrying away the empty dishes. She doesn't know a proper Tory lady doesn't touch the dishes. I keep saying that having dinner with her is like Christ washing the feet of the disciples.

In response to a number of questions about how the Thatcher government fit in the history of the party, several top government advisers and officials demonstrated only the haziest kind of knowledge of the party's history; invariably, over the course of the interview, they eventually made clear that they were newcomers to the party either as politicians or as advisers to government. They are somewhat reminiscent of the Fabianists making incursions into the Labour Party. In particular, they so remind one because, with the exception of a few opportunists, they are ideologues and intellectual elitists. In conversations with them, one was left with the overwhelming impression that the public did not matter much at all—whether working-class Tory or the Conservative businessperson they were dedicated to helping. "The blessed Margaret," in the words of one, "had been delivered unto the country bearing the truth and would lead the nation into the twenty-first century when she would be canonized." Some of them were free-enterprise ideologues who were very clearly identifying with the Conservatives only since the advent of Thatcher, although a few were holdovers from the Heathite Selsdon period. Some of them, the equivalents of American neo-Conservatives, had at some point in recent years seen the error of their ways and had abandoned socialism and the Labour Party for laissez-faire and Mrs. Thatcher. Of course, still others were that breed of pragmatist and political opportunist who had known a good thing when they saw one and had seized the opportunity to seek their



political fortunes in the tide of Thatcherism. Certainly, none of these individuals has been part of the party faithful, and, in this they differ significantly from the prime minister or Sir Keith Joseph. Although their numbers are not large, their significance is sizable, and in this again there is a resemblance to the Fabians.

These Conservative outsiders engaged in almost endless self-congratulation with regard to the fact that the Conservatives whom John Stuart Mill had once labeled the "stupid party" now had an intellectual blueprint for the future and that the right had a near monopoly on all that was intellectually exciting in Great Britain. Policymaking, in this view, involved the good ideas of the Adam Smith Institute, the Centre for Policy Studies, a handful of industrialists, a parliamentary majority, and at best the acquiescence of the Tory voter. "We can do just about anything we want," a minister said. "You and I both know the average hang'em and flag'em Tory is so far to the right of us that we are free to make this economic revolution. And it is a revolution we are making."

At least with respect to the economy, this is not a popular revolution, let alone populist. Voting studies over the past decade have revealed a number of different reasons for why the English have been voting as they have in recent years. Most prevalent has been the view that there has been a realignment of the electorate along social class lines (Butler and Stokes, 1974) or partisan fragmentation (Crewe, Sarlvik, and Alt, 1977). The most popular current account of Thatcher's success is that it emanated from members of the upper working class, the skilled, more affluent workers who may own their own homes or want to do so. However, according to Ivor Crewe and Bo Sarlvik, economic issues have not been and are not likely to be the most salient issues among the Conservative electorate: The better strategy on this account is to head toward authoritarian or racial issues to gain ground (Crewe and Sarlvik, 1980). Furthermore, with the extraordinarily high levels of unemployment resulting at least in part from the government's economic policies, the government does not seem to be making policy in response to populist or popular demands. Hence the electorate would not appear to be driving the engines of Thatcherite economic policy, whether monetarist or laissez-faire.

In addition, one cannot really say that what has occurred has been a businessperson's revolt or a business attempt at taking over the economy. First of all, there is a sense in which the most simple-minded Labour and Marxian characterizations of the Conservative party as the party of business have been correct. No matter the protestations of patrician Tories that the Conservative party is a precapitalist party that has never been

actively probusiness, the Conservatives have always represented capitalist interests, even before the Liberals drifted into their midst. The party has housed, protected, and even nurtured the metamorphosis of landed into financial into even commercial interests. In recent years, many people with business and industrial connections have sat both in the House of Commons and the House of Lords.

If this is true, one might ask, how does this square with the antibusiness values of *homo genteelis conservatis* discussed earlier? The answer is that the simple-minded identification of business and the Conservative is just that. Just because a number of Tory grandees sit on the boards of a number of different companies does not make these people businesspeople even if they own a lot of stock. British firms have two main reasons for bringing Conservative politicians into their ranks: (1) for gaining access to government, and (2) for putting forward a positive image, for example, a Lord for the board. This does not mean that these people are actively engaged in the functions of business or are possessed of any understanding, sympathy, or identification with business. How often one hears patrician Tories say that they are businessmen, that is, they sit on the board of some company. Usually, this serves as a prelude for the person to begin a discussion of how business does not really like Mrs. Thatcher, followed by "I know this because I am a businessman."

Nevertheless, there is a fair amount of truth in the statement that a lot of the business community has not been supportive of the Thatcher government and hence has obviously not been part of any business revolt against creeping socialism and incursions of the state into the economy. Many of the most active tripartists—the Confederation of British Industries (CBI), the Associated Chambers of Commerce, and businesses heavily reliant on government contracts—have made no secret of their dissatisfaction. The Chambers have been somewhat surprising in this connection since they have always been peopled with smaller and medium-sized firms. Though never very powerful, when compared to the direct access of the largest firms or compared to the old Federation of British Industries (FBI) or CBI; nevertheless, they have been excluded from much important conversation with the government. One economic adviser to Thatcher said, "The government meets regularly with the C.B.I. because it has to, with people from Aims, the Institute of Directors, and top business people like Wolfson but not the Chambers." People at the Chambers confirm that they do not have direct access "because we are wet"—"wet" in this definition was "a right winger who believes in a

caring society"—but that they do have excellent indirect contact. An explanation for their exclusion or alienation must await further exploration, but their policy positions most often look quite like those of the CBI. And the CBI, on both the accounts of Thatcherites and of representatives of the CBI, have been on the outs with the current government.

Most instructive with regard to just how active a role these business groups (and others) have been playing in the formulation of economic policy was this comment of a treasury civil servant:

Inside we have not paid much attention to the lobbying groups. By and large officials of this government are positively suspicious of the C.B.I. and the Chambers of Commerce; they're both wet. More often than not a minister says, "Here is what we would like to do. Who can we turn to for justification? Who said this? I can't remember; find out who said."

Hence one gets corroboration of business alienation from Thatcherism from both government and business.

Nonetheless, in interviewing business people, one finds many who have grumbled and grouched over government policies but still have avowed support for Thatcher. Some who complained bitterly of too little government spending on infrastructure and too little subsidization could also say without embarrassment that they were by and large in favor of the Thatcher government's tilt toward nonintervention and laissez-faire. "Of course, we lobby for government to spend more. We're not stupid. We want to make a profit. But the government is still doing the right thing." Thus the Thatcher government is surely not without its supporters in the business community, and almost all of business supports low inflation, privatization, and reduction of regulatory or paperwork burdens.

In the final analysis, however, this is a revolution for business, if not always of it, but of a particular kind. The Thatcher government wants to promote entrepreneurship, innovation, the creation of new enterprises, and thus growth and productivity. To do this, the government must find a way to inculcate the values of what the prime minister calls the "enterprise culture." These are values antithetic to the gentlemanly ethos: an appetite for hard work, respect for technical know-how, a willingness to take risks, a lack of embarrassment at money making, and so forth. She has been attempting this in a number of ways: trying to reduce dependence on the welfare state, returning business to the private sector, extending home ownership, widening share ownership, creating enterprise zones, attempt-

ing to link pay to profits, business expansion schemes, and deregulation. Most of these are firmly rooted in the intellectual constructs of *laissez-faire* and, where they are not, the government argues that they are temporary measures serving as seed corn for later prosperity. The government has argued, in the words of John Moore, at the time minister in charge of privatization, now Social Security Secretary, that they are attempting to create "an army of capitalists" (Moore, 1984). This is rather revolutionary talk from a political party that three times over its history has found reason to produce Conservative pamphlets entitled "Why We Must Work" or some variant thereon.

One of the keys to fostering this kind of change was ousting its opponents—both the leadership of the party and government and the leadership of the tripartists in economic policymaking. Thatcher's goal has been to crush gentlemanly consensus and with it the societal ideal type of the gentleman. J. P. Nettl (1965) in an extraordinarily insightful and provocative article, "Consensus Elite Domination: The Case of Business," said of this consensus and its ideal type:

The famous British consensus is not a sort of social or political ectoplasm which emanates from, and hovers over, the consentient, but a social institution with its own structure, procedures, attitudes, beliefs. Nor is it equally shared. Instead, like a magnet, it sucks in members from the periphery—away from their own self interested groupings. In doing so it emasculates these groups, while preserving their outward shell of autonomy and independence. Pressure group politics are therefore less "real" than they seem their very success in Britain, which has thrilled (American) political commentators searching for limited and orderly struggle as the highest form of organized democracy, may indeed depend on this element of shadow boxing. . . . The consensus has its peculiar and particular exponent, both vehicle of consensus attitudes and ideal type the higher civil service [Nettl, 1965: 22].

Nettl then went on to argue that business in Great Britain has been lacking in a firm sense of identity and purpose and that big business at least has, therefore, been dominated or colonized by Whitehall.

Whether or not the upper-echelon civil servant has been the ideal type for British society or simply one of a number of professional groups belonging to the gentlemanly class is probably open to debate, but what is not is the way that the gentlemanly consensual ethos has dominated the business community in Great Britain. Thatcher clearly feels this and, in fact, a lot of her reported hostility to the civil service is a reflection of such

feeling. Hence she has brought in her outsiders—Jewish entrepreneurs, neo-Conservatives, libertarians, and middle-class MPs—in an attempt to create a new ideal type for the enterprise culture.

## NOTES

1. For a good discussion of these elites and their culture, see Woodruff (1961) and Wilkinson (1964).
2. For insightful accounts of the antibusiness values, see Hampden-Turner (1983), Mant (1979), and Wiener (1985).
3. For a discussion of the role of education in the shaping and reinforcing of the values of the culture, see Hetzner (1985), Rothblatt (1968), and Shils (1955).

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*This article is concerned with the propriety and political feasibility of relying upon private organizations as alternative means to deliver public goods and services. The central thesis is that this propriety and feasibility can best be determined by examining separately the broad functional areas of governmental activity. The argument is that legislative tolerances for relying upon private organizations for some of these functional categories should be lower than for others, depending upon such factors as the degree of coerciveness required for the function's accomplishment and the extent that the function is perceived as being critical to the safety and security of society. The proposal will be that these tolerances should form a hierarchy and constitute the parameters within which alternative delivery systems are designed.*

## LEGISLATIVE PARAMETERS FOR DESIGNING ALTERNATIVE DELIVERY SYSTEMS

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**The debates regarding "privatization"** and alternative means of delivering public goods and services have a rich history and are now reaching a new level of intensity (see Hanke, 1987; Moe, 1987, 1988; Pack, 1987). Privatization refers to the movement to reduce the scope or extent of public responsibility (Savas, 1982), whereas alternative means of delivering public goods and services refers to reliance upon outside organizations through the use of legal instruments such as contracts, grants, cooperative agreements, and vouchers (Hatry, 1983).<sup>1</sup> For too long these debates over privatization and alternative means of delivering public goods and services were not kept sufficiently distinct. As Kolderie (1986) has noted, observers often failed to distinguish between the primary policy decision of government to *provide* (generally through financing) a good or service and the secondary decision to *produce or perform* a public good or service. For example, some past government actions were often viewed

as preliminary steps toward privatization when, in fact, such actions were designed only to encourage reliance upon different producers of the service.

This article is concerned only with the propriety and political feasibility of relying upon private organizations as alternative means of delivering public goods and services. Both elements—propriety and political feasibility—are important considerations for those administrators who are expected to design systems to implement public policy. It may or may not be proper to rely upon private organizations to perform certain tasks of government even if doing so is politically feasible. On the other hand, administrators are often either overly optimistic or overly pessimistic in their assessment of legislative receptivity of proposals to rely upon private organizations for the delivery of public goods and services.

The central thesis here is that the propriety and political feasibility of relying upon private organizations can best be determined by examining separately the following broad functional areas of government activity: taxation, regulation, "critical" service delivery, "noncritical" service delivery, analysis and management services, support services, and the production of goods. Each of these categories is discussed in the following sections.

For some of these categories, legislative attitudes seem relatively clear and may be establishing the parameters within which alternative means of delivering public goods and services must currently be designed. For other categories, the predominant legislative position is difficult to determine and, in my opinion, does not provide sufficient guidance for administrators in a democratic state. The argument will be that legislative tolerances of relying upon private organizations for some of these functional categories *should be* lower than for others depending upon factors such as the degree of coerciveness required for the function's accomplishment and whether the function is perceived as being critical to the safety and security of society. In the conclusion, the proposal will be that these tolerances should form a hierarchy and constitute the parameters within which alternative delivery systems are designed.

## TAXATION

Taxation is the process of collecting a compulsory levy from members of society to be used for public purposes. In the United States, there is



widespread consensus among legislators and the general public that government is the sole source of legitimate force (Mead, 1986). Hence no private organization can legitimately use coercion if taxes are not paid; and it can be presumed that legislators will almost always insist that a public agency have the primary responsibility for collection of taxes.

However, there is no contradiction with democratic principles if private organizations are utilized for the noncoercive tasks of tax collection. In the United States, private organizations are, in fact, the initial tax collectors for the government, wages are withheld by employers, and sales taxes are collected by vendors.

Further, as long as the private organization was prevented from making direct demands to the citizen to pay, there would be no violation of democratic principles if private organizations were relied upon more heavily to audit returns and serve as intermediary mechanisms to receive, deposit, and account for taxes. Nonetheless, legislators appear generally reluctant for private organizations to assume such additional roles. Members of Congress perceive too many dangers of fraud, abuse, and invasions of privacy for this to be a viable option (see U.S. Senate, 1977). A similar legislative position is evident at the state level as well. For example, in Illinois, the "power of taxation shall not be surrendered . . . or contracted away" (ISOS, 1986). This is probably illustrative of low legislative enthusiasm at the state level to rely upon outside organizations for the taxation function. Empirical support exists in that tax collection is not even mentioned in the list compiled by the Council of State Governments of state functions performed by private organizations.<sup>2</sup>

A few states—most notably Michigan—have passed legislation allowing contracting for property tax assessment at the local level. However, Lowery (1982) contends that this practice tends to aggravate several historical problems of achieving assessment effectiveness such as uniformity of assessment rates for comparable properties. The suspicion here is that these problems will receive increasing attention in the future and that allowing localities to contract for property tax assessment will continue to be an exception rather than the norm. This is true for other activities related to the tax function at the local level as well. Support for this prediction exists in a 1983 survey of 80 Illinois cities (ICMA, 1983). Only four small cities reported that they relied upon private organizations for tax-related activities (in these four cases, to assist in delinquent tax collection).

In summary, it is expected that legislatures will continue to allow only marginal roles for private organizations in the collection and determina-

tion of taxes. In my view, this position is the one most consistent with the theory of the democratic state. This is not to say that private organizations will not—or should not—be relied upon to perform studies regarding revenue impacts and relative tax burdens caused by present or proposed tax policy; but these studies fall into the category of analysis and management services discussed later in this article.

## REGULATION

Essentially, regulation is any attempt by government to control the behavior of citizens, corporations, or subgovernments (Meier, 1985: 1). Like taxation, regulation is inherently political and coercive in nature. Because of regulation's coercive nature, it is most compatible with democratic notions of the state for a public agency or commission to be solely responsible for enforcing regulation or to rely upon government organizations at lower levels of government to provide such enforcement. However, legislatures have traditionally permitted a greater role by the private sector in regulatory activities than in the taxation function.

The responsibility for regulation is sometimes abrogated to a substantial degree to private organizations (Guttman and Willner, 1976). An example of such abrogation is when legislators include in the law that continued funding or program eligibility is contingent upon certification by some private professional organization that certain levels of formal training or other regulatory requirements have been met (see Etzioni, 1975). Another example is when private groups are allowed to exert influence within the public agency or commission. Many agencies are dominated by the very professional, occupational, or industrial groups that the agency or commission is mandated to regulate. Particularly for occupational regulation, this influence has been established in the law and becomes only a mechanism for protecting the established interest of the profession, occupation, or industry (Meier, 1985). As often, however, such influence is able to be exerted because of the public agency's need to rely upon private organizations to provide technical information required for regulatory decision making.

Thus the influence that private individuals, groups, and organizations exert in the regulatory process can be substantial. However, perceptions are increasing of the actual or potential conflicts of interests when private organizations have too central a role in public regulatory activities (see Barke, 1982; Meier, 1985). Further, my experience is that the administra-

tor should be prepared to defend before legislative committees his or her decision to involve heavily private organizations in the regulatory function. As one government publication has noted, legislators and executive decision makers alike consider regulation as inherently a government function that should be performed by government employees (U.S. OMB, 1984). However, legislative parameters in this important area of public policy remain vague and ill-defined and, in my opinion, still grant administrators too much discretion in relying upon private organizations to establish and implement regulatory policy.

Less potentially troublesome for the administrator is the reliance upon private organizations for studies regarding the need for, the extension of, or the impacts of regulatory rules. Assuming that these private organizations are not those being regulated and that they do not have the subjects of regulation as clients, contracting for such studies is not likely to be improper or to raise legislative ire any more than for other analysis and management services discussed later in the article.

### CRITICAL SERVICE DELIVERY

Service delivery includes most of the substantive missions of government such as the provision of defense (Chamberlin and Jackson, 1987). The more the mission's accomplishment depends upon the coercive power of the state, and the more closely legislators perceive the mission as critical to the safety or security of the society, the more that legislators should probably insist that the *central role* be performed by public employees. Overall, legislative actions appear to be generally consistent with this view; but there are notable exceptions—particularly at the local level.

Legislative reluctance to allow private organizations assuming central roles in critical service delivery is probably nowhere more evident than in the area of national defense. There is definitely substantial congressional reluctance to rely too heavily upon private organizations to perform the defense function. This policy is not limited to the obvious central combatant roles reserved for uniformed military personnel. It also applies to missions that are considered critical, but that are ancillary to the central role of combat. For example, the Congress in 1982 specifically mandated that the military could not contract for fire fighting and base security forces; the Congress also enacted legislation placing severe limitations on the military's ability to con-

tract for other services (such as aircraft maintenance) that were considered critical to the provision of defense (Montgomery, 1982).

There also does not appear to be any discernible movement at the federal level to rely upon private organizations for most of the other critical federal services such as border patrols or corrections. Similarly, there seems to be little enthusiasm by legislators at the state level to contract for those missions that would consensually be categorized as critical to the safety and security of society. Such services include patrols by state police, the involuntary care and treatment of that small minority of the mentally ill who are of danger to themselves or to others, and the *operation of*—not just managing—state prisons. In their comprehensive study, Poole and Fixler (1987) cite no use by the states of contractors for patrol services, only one state (Florida) that has contracted for operation of its mental health hospital, and only five privately operated prisons for adults and “several” for juveniles at the state and local levels.

I suspect that almost all of these private prisons are found at the local level. Even though local governments are supposedly “creatures of the states,” they have, in most cases, been granted substantial latitude by the states in regard to contracting for public services; and local governments appear somewhat more prone to contract for functions critical to the safety and security of society than their state counterparts. In addition to private prisons, Poole and Fixler (1987) report that there is an increasing use of contractors at the local level for police and fire protection; however, much of the recent expansion of utilizing contractors to provide these services at the local level is for the protection of public property (which is considered here as a support service) and for the provision of specialized fire-protection services (such as at airports). The central roles of police and fire-protection services are primarily being performed by public employees. Ferris and Graddy (1986: 336) report that 85.4% of all city and county governments responding to their survey relied solely upon public employees for police patrol services and 85.7% relied solely upon public employees for fire-fighting services.<sup>3</sup> Corresponding percentages for those services being solely contracted out were 3.8% and 7.6%, respectively. A combination of public employees and contractors were used 10.8% of the time for patrol services and 6.7% of the time for fire-fighting services. Overall, the evidence seems clear that when local legislators determine that security and fire protection are critical to the safety and security of society, they generally require public performance of these functions as well as their provision (see Stewart, 1985).

In summary, legislators are correct in being skeptical of proposals to contract for critical service delivery. First, there is the question of the limits of the law when coercive force must be used. Government is still considered the sole source of legitimate force; private contractors can claim no such legitimacy. Second, there remains much question in such proposals as to the degree and extent of public liability involved when a private contractor is hurt or killed in the performance of these functions. A full discussion of these topics is outside of the scope here. They are mentioned only to lend support to the hypothesis that reticence by legislators of proposals to contract for critical service delivery will remain high and that these services will, for the most part, continue to be performed by government employees. It should be noted, however, that this prediction applies only to the central roles associated with these missions—not ancillary or support roles.

## NONCRITICAL SERVICE DELIVERY

Most governmental missions can be categorized as “noncritical.” This does not mean that such missions are unimportant—only that they can rarely be justified as critical to the safety and security of society. For noncritical service delivery, concerns of accountability, effectiveness, and efficiency are the primary factors in determining the propriety of relying upon private organizations; political saliency often determines whether such reliance is feasible. Each of these factors is briefly discussed below.

### ACCOUNTABILITY

As Etzioni (1975) has noted, there are different conceptions of accountability. Whenever alternative means of delivering public goods and services are being considered, accountability is commonly conceived in terms of the requirement for the public agency to control the behavior of outside organizations to ensure that public funds are spent honestly and for the purposes intended by the legislature (Sharkansky, 1980; Smith and Hague, 1971). Thus accountability is viewed as a continuum ranging from the organization performing the service to the public agency administrators to the legislature (Staats, 1975). The hypothesis here is that the more that members of the legislature perceive a threat to the maintenance of



this continuum, the more cautious that they will be in allowing that particular service to be performed by private organizations.

Support for this hypothesis appears most evident when entitlement payments to individuals are involved; examples of such payments include most welfare cash grants through programs such as Aid to Families with Dependent Children (AFDC) and social insurance payments such as Social Security. The funds involved are substantial; and it is suspected that legislators perceive too many dangers of fraud and other difficulties of accountability for these services to be performed by private organizations. Evidence exists in the fact that public employees generally perform such duties, despite the criticisms of ineffectiveness and inefficiency that are often directed toward public service delivery of entitlements (see Hill, 1982; Prottas, 1981). I question whether this legislative reluctance to utilize contractors for entitlement payments is justified; but the issue is a difficult one and will probably not be resolved in the absence of more experimentation and empirical research.

For noncritical services other than entitlements, accountability seems more likely to be viewed in terms of the requirement that legislators must be reasonably confident that they can ascertain responsibility for work performed by private organizations and determine the lines of authority in the public agency relating to such work (Parks, 1986: 19). When such confidence is low, my experience as a public administrator is that legislative resistance to alternative service delivery can be intense; however, administrators normally have little difficulty in providing assurances that this type of accountability can be provided.<sup>4</sup>

#### POLITICAL SALIENCY

Whenever the potential lack of accountability is not the primary concern, the factor most influencing legislative attitudes regarding relying upon private organizations for noncritical service delivery appears to be political saliency. Whereas increasing the programs and responsibilities of the federal and state agencies has been politically popular, increasing the number of employees has been perceived by elected officials as being politically unwise. Rosenblum and McGillis (1979: 220) observe that when this tension occurs, the only recourse, short of failure, may be to award contracts or grants. Particularly at the federal and state levels, this perspective on the part of both legislative and executive decision makers has become so ubiquitous that reliance upon private organizations for noncritical service delivery has not only become extensively allowed, but

also increasingly expected (Hamilton, 1980). There are exceptions such as hospitals for veterans at the federal level and institutions of higher education in most of the states. For these missions, legislators have determined that it is more politic to have these services performed by public employees rather than private ones. How long they will continue to do so is an interesting question.

At the local level, reliance upon private organizations for noncritical service delivery is less attractive in terms of political saliency. The primary reason is that the resistance by public employees is normally intense when it is proposed that public operations be converted to private ones funded by public funds; public employee unions are notably vociferous on this issue (Kolderie, 1986). Nonetheless, reliance upon private organizations for noncritical service delivery is increasing at the local level. Growth areas include trash removal, public works, transportation, and health and human services (Poole and Fixler, 1987). The political saliency of contracting at the local level appears to be declining, while effectiveness and efficiency concerns seem to be becoming more important.

#### EFFECTIVENESS AND EFFICIENCY

Many studies are showing that it is more efficient and at least as effective to contract with private firms for those routine services, such as trash collection, in which there is little need for independent decision making (McDavid, 1985; Savas, 1982; Steiss, 1982).<sup>5</sup> For routine service delivery, then, it would be expected that reliance at all levels of government upon private organizations will increase—and, to a considerable extent, has already done so (see Ferris and Graddy, 1986; Thompson, 1983; U.S. OMB, 1984).

For direct professional services such as mental health counseling and other health and human services, the evidence is less clear. At the state and federal levels, these professional services are increasingly being contracted out, but this is due more to the political considerations described earlier rather than perceived benefits of efficiency and effectiveness. At the local level, efficiency and effectiveness are becoming the predominant concerns; and I have argued in an earlier study (Becker, 1983) that it is *usually* (but not always) more efficient and effective to perform these professional services through the use of contractors, particularly not-for-profit organizations. Further, the public agency can gain benefits in terms of flexibility, system-building, and lobbying capability (Becker, 1983). The position here is that relying upon private organiza-

tions for professional service delivery is not only proper, but usually advantageous as well. The burden of proof should be on the public agency to demonstrate that it would be advantageous in terms of efficiency or effectiveness that these professional tasks continue to be performed by public employees.

## ANALYSIS AND MANAGEMENT SERVICES

Another functional category that has received much attention from legislators includes management analysis, economic analysis, policy analysis, social research, training and technical assistance, managerial services such as automatic data processing, and the design and evaluation of social programs (Kline and Buntz, 1979). The term *consultant services* is commonly used by the government or in the literature to describe this cluster of services (see Bowen and Collett, 1978; O'Connor, 1982); however, Becker and Hebert (1985) suggest that the term *analysis and management services* is more appropriate.

At the federal level, the amount spent for analysis and management services has traditionally been high and is increasing (Becker and Hebert, 1985; Rosenblum and McGillis, 1979; U.S. GSA, 1987). Yet the amounts spent for analysis and management services by the individual agencies are relatively small compared to other expenditures; that is, they are not very "visible." If contracts for these services were more visible, congressional scrutiny would undoubtedly increase. This might result in some decrease in expenditures for analysis and management services. A series of congressional committee hearings conducted by Rep. Harris (D-Va.) and Sen. Pryor (D-Ark.) in 1979 and 1980 indicated that members of Congress are often dubious that such studies need to be conducted in the first place and are often critical of the high salaries that professional consultants command, the results that they produce, and the total spent for such services (see also Kline and Buntz, 1979; U.S. GAO, 1980; U.S. Senate, 1977).<sup>6</sup> Administrators who cannot provide the needed assurances may not only have a difficult time in legislative hearings, but may also find appropriation bills severely curtailing the amount that the agency is allowed to spend for analysis and management services (see CFCP, 1980).

From my observations, legislative concerns regarding the cost of obtaining analysis and management services are probably more intense at the state level than at the federal level (see CFCP, 1980; IOAG, 1978). No doubt, this is due in large part to smaller agency budgets at the state level



than at the federal level. The general statement can be made that the smaller the overall budget, the more likely that there will be intense legislative scrutiny of amounts paid to professional consultants and contractors for analysis and management services.

A similar pattern seems to exist at the local level. In Florestano and Gordon's (1980) survey of categories of services that constituted the largest dollar volume among those contracted out by local governments, professional services ranked first. However, professional services that are contracted at the local level are generally confined to those that are more managerial in nature—for example, architectural, engineering, and legal services. There is much less reliance upon private organizations for those more analytical professional services such as program analysis and evaluation.

In conclusion, it seems that many legislators at all levels of government are rather suspicious of *the need for* private organizations suggesting how the work of government could be performed, whether that work has been performed well, or how that work could be performed better (see IOAG, 1978; Slawsky and DeMarco, 1980; U.S. GAO, 1980). Nonetheless, once the need is established for the study, there appear to be few legislative barriers to relying upon private organizations for analysis and management services; and administrators are—and should be—given considerable discretion to choose the private contractor or educational institution best suited to perform the task.

## SUPPORT SERVICES

Certain administrative functions can be classified as supportive in nature; these include the functions of personnel, accounting, and purchasing. However, the managers of those activities are not considered here as engaging in support services; rather, their contributions are included in the category of analysis and management services discussed above. What is of interest here are the following: (1) nonmanagerial tasks performed by receptionists, secretaries, clerks, and keypunch operators; (2) ancillary activities such as employee cafeterias and guarding the premises; and (3) maintenance services including the servicing of equipment, painting, carpentry repair, grounds maintenance, janitorial services, and all other tasks related to maintaining the physical plant and equipment. It is for this set of activities that the term *support services* is reserved.

These services have common characteristics that cause them to be "in competition with" the private sector when performed by in-house employees. These characteristics include the following: (1) adequate provision by the private market, (2) adequate numbers of firms engaged in these services to ensure competition, and (3) sufficient homogeneity to be able to identify specific tasks that can be priced with competitive bids. Since the 1960s, OMB Circular A-76 has contained guidelines and directives regarding the federal government policy of maximum reliance upon the private sector to supply the federal government with those support services that have been determined to be competitive with the private sector (U.S. OMB, 1984). A few members of Congress, such as Rep. Ackerman, have been critical of the lack of specificity to what activities should be considered "commercial" in OMB Circular A-76 and have been disturbed with the manner in which cost comparisons are often conducted (Ackerman, 1986). Overall, however, the Congress has been supportive of A-76 and the policy that it reflects (see U.S. GAO, 1983, 1985). As a result, momentum at the federal level has been increasing in the last several years to contract for support services, or, at the least, to make cost comparisons between contracting and the cost of in-house support activities (U.S. OMB, 1984).

Legislative enthusiasm at the state level for contracting for some support services such as secretaries and clerks appears to have traditionally been lower than at the federal level. Administrative proposals in the 1960s and 1970s to contract for these services were often viewed by state legislators as nothing more than an attempt by administrators to escape personnel ceilings.<sup>7</sup> In the 1980s, state legislators appear much more prone to view contracting for support services—including those performed by secretaries and clerks—as being both appropriate and advisable. Several reasons for this shift in legislative attitudes are offered below.

First, there is the political consideration of a desire by elected officials to reduce the number of state employees while continuing to increase the scope and responsibilities of state government. This dynamic influencing the contracting for support services is the same as for noncritical service delivery described earlier.

Second, even though the public employee unions have raised strenuous objections to expanding the scope of contracting for all support services (see AFSCME, 1985), their influence was probably diminished by the recession of 1981 through 1983. Particularly at the state level, legislators began to realize that by contracting for support personnel, substantial cost savings could be realized from reduced contributions to employee retire-

ment and insurance programs; further, in few other categories of services could the argument for contracting be made as strongly on the grounds of efficiency. This may have been a significant period for contracting. The union's concerns appeared secondary to the difficult choices facing legislators during that time period. Since 1981, legislative tolerance at the state and local levels for contracting for support services has increased; and even though the unions have been able to slow the pace, they have been unable to reverse the trend.

### THE PRODUCTION OF GOODS

There would probably be little legislative support for any government agency considering the development and manufacture of those *goods* (such as computers, planes, and food) that are provided efficiently in sufficient quantity and with acceptable quality by the private market (see Butler, 1985). Such proposals must be based on extraordinary circumstances to even be considered (see Burger, 1985), and relatively few have been adopted. Some examples include the small percentage of development and production work performed in government laboratories and the license plate and furniture factories within state prison systems.

An example of more extensive scope is the production of electrical power by federal organizations such as the Tennessee Valley Authority (TVA) and some locally owned utility companies (Kolderie, 1986). These public organizations were given those responsibilities because of extreme circumstances of market failure. A discussion of whether or not these circumstances still apply is outside of the scope here. But the fact that they are exceptions illustrates that the production of goods in the United States will generally be reserved for private firms. This would occur even if it were found that production of a certain tangible good by public employees would be more efficient. The ideology of the market-based economy is simply too widespread among both the public and the legislators for it to be otherwise.

### CONCLUSION: A HIERARCHY OF FUNCTIONS

The argument here is that there is a "line" that should be drawn between public and alternative delivery systems. Above that line are those func-

tions in which the propriety of utilizing private organizations is doubtful—taxation, regulation, and critical service delivery. This statement applies even if it is perceived by the administrator to be politically feasible to contract for these functions. Below the line are the other categories of goods and services discussed in this article. The propriety of relying upon private organizations to deliver these goods and services is dependent only upon an adequate assurance of accountability and the prospects of improvement in efficiency and effectiveness.

However, political feasibility is also important in determining who will perform the work of government. For example, there appears to be more legislative tolerance of relying upon private organizations for central regulatory roles than for taxation, even though both functions depend upon the coercive power of the state. Another example is that less reliance is placed upon contractors to disburse entitlements than to perform other noncritical service delivery. It is hoped that the earlier discussion has demonstrated that these observations do not necessarily reflect my preference—particularly in regard to regulation. The only point here is that parameters to guide the actions of public administrators must incorporate not only propriety, but also the preferences of legislators.

As long as the "line of public service" is respected, no serious conflict need occur between propriety and political feasibility when alternative delivery systems are being considered. A hierarchy of government functions can be constructed that reflects both the propriety and political feasibility of relying upon private organizations. Such a hierarchy is reflected in Figure 1. Functions are divided into the two major groups above and below the line, respectively. The first includes those functions discussed above that should normally be performed by public employees. The second includes those categories of goods and services for which alternative delivery systems are appropriate. The order *within* the two major groups reflects my perception of the political feasibility of utilizing private organizations to perform these tasks of government.

Again, parameters to guide administrative behavior should be based upon both propriety and political feasibility. Given this, it can be stated that as we move down the list in Figure 1, legislative tolerance for reliance upon private organizations should increase—and often be mandated. The reverse also holds. The argument here is that these tolerances should establish the parameters within which alternative means of delivering public goods and services are designed. These parameters are specific enough that maximum reliance will probably never be placed on either the public or private sectors to perform the work of government. But these

| <u>PROPRIETY</u>                                                         | <u>FUNCTION</u>                                                                                                                                                             | <u>POLITICAL FEASIBILITY</u>                                                                           |
|--------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| <i>public<br/>delivery systems<br/>only</i>                              | <div> (1) taxation<br/> (2) regulation<br/> (3) critical service delivery </div>                                                                                            | <div> <i>legislative tolerance for<br/>alternative delivery systems<br/>should be low</i> </div>       |
| <hr/> <b>The Line Of Public Service</b> <hr/>                            |                                                                                                                                                                             |                                                                                                        |
| <i>alternative<br/>delivery<br/>systems<br/>should be<br/>considered</i> | <div> (4) entitlements<br/> (5) noncritical service<br/>delivery other than<br/>entitlements<br/> (6) analysis and management<br/>services<br/> (7) support services </div> | <div> <i>legislative tolerance<br/>for alternative<br/>delivery systems<br/>should increase</i> </div> |
| <i>private production<br/>only</i>                                       | <div> (8) production of goods </div>                                                                                                                                        | <div>  </div>         |

**Figure 1: Hierarchy of Government Functions Reflecting the Propriety and Political Feasibility of Relying upon Private Organizations**

parameters are also sufficiently flexible to ensure that administrative discretion is given the appropriate degree of latitude in determining who will perform public functions.

## NOTES

1. The term *outside organizations* is often used by the federal government to refer to public organizations at one level of government (e.g., state) that perform services for another public organization at another level of government (e.g., federal). For example, see U.S. Senate (1977). The legislative parameters discussed below for private organizations generally do not apply for public organizations performing work for other public organizations.

2. The list is contained in Thompson (1983).

3. The number of jurisdictions responding to the survey were as follows: 1,266 cities for patrol services, 252 counties for patrol services, 1,155 cities for fire protection, and 129 counties for fire protection. See Ferris and Graddy (1986: 336).

4. This is based upon my appearance before legislative committees of the Oklahoma Legislature. I was responsible for obtaining approval from the legislature to rely more heavily upon private organizations for community mental health services.

5. It should be noted that not all studies are showing that it is more efficient to rely upon the private sector for routine services. In some cost comparisons for certain routine services, reliance upon the public organization is the more efficient alternative. For example, see Garmat (1984).

6. The hearings were attended extensively by this author.

7. This assertion is based upon my observations and conversations with upper-level administrators in Illinois and Oklahoma. These states are not thought to be unusual in this regard.

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*This article analyzes the U.S. federal administrative state—the complex of institutions of the executive branch of the federal government—in historical and contemporary perspectives, with implications for the future. It argues that the administrative state is in a serious legitimacy crisis, that this crisis can be understood in an historical context and in relations to the concurrent crises facing the socioeconomic and political systems in America. Major sources of the crisis, including the inherently contradictory role of the modern state in society, are analyzed. Also some of the major impacts of the crisis on the society are discussed along with an analysis of the future consequences of the politics-administration interface and the new political administration theory of the 1980s. Finally, an argument is made in defense of the administrative state and an Integrated Model of Public Administration is suggested for solving the problems of administrative state in America.*

## **CRISIS IN THE U.S. ADMINISTRATIVE STATE**

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**This article argues that the U.S. administrative state is in a legitimacy and institutional crisis, that this crisis can be understood in relation to the concurrent crises facing the socioeconomic and political systems in America, that the current crisis is a result of the inherently contradictory role of the administrative state in American society, and that the politics-administration interface and the new political administration theory of the 1980s have had major consequences for the administrative state and for the society. Finally, the article briefly suggests an alternative solution to the problems of administrative state in America.<sup>1</sup>**

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The administrative state in this study refers to the complex of institutions (departments, agencies, organizations) of the executive branch of the federal government, with the exclusion of the Department of Defense. Strong evidence shows that the administrative state is facing another crisis of legitimacy. For example, Rosenbloom (1983: 225) argues that "accumulation of legislative, executive, and judicial functions in administrative agencies runs counter to the deeply ingrained desire within the political culture for a system of checks and balances." Caiden (1983: 1) contends that public administration is defenseless against accusations of being "parasitic, unproductive, inefficient, wasteful, incompetent, corrupt, and above all unnecessary." B. Rosen (1986), Goodsell (1985), Rohr (1986), H. Rosen (1985), and Schroeder (in ASPA, 1987a) discuss aspects of the current crisis and defend a strong role of the administrative state in society because they recognize the threat.

The first step toward understanding the crisis is to explain the rise of the administrative state and its legitimacy problem in an historical context.

### **SYSTEM LEGITIMACY AND THE RISE OF THE ADMINISTRATIVE STATE**

A central characteristic of the American political system is its consistent inconsistency: Policies and programs of one period dominated by one political party are often either removed or drastically changed in another period dominated by another party. This inconsistency in the system and its policy process has affected the role of the state in general and the administrative state in particular in American society since the creation of the Republic. Therefore, the role of the administrative state has for two hundred years been unclear, a problem that "again confronts the nation as it moves into a new international economic and technological order" (Carroll, 1987: 106). The consistent inconsistency of the system has contributed to the second central characteristic: the "reactive" nature of the policy process and policy politics (Greenberg, 1986).

Public administration has existed in the United States since the colonial period because no government can govern without administrative organizations. But the real rise of the administrative state is generally dated from the 1880s and particularly to the 1930s (Nelson, 1982; Rohr, 1986; Skowronek, 1982; Stillman, 1987). What has caused this phenomenon? Briefly stated, the socioeconomic conditions of American society in the post-Civil War period were characterized by increasing inequality and a

lack of real freedom, compounded by the problems of corruption, the spoils system, recurring business cycles, and the growing power of the national government through force and administrative governance (Rohr, 1986; Stillman, 1987). However, three major forces seem to have contributed significantly to the rise of the administrative state since the late nineteenth century: the farmers' movement, the labor movement, and the Civil Service and Reform Movement. As Stillman (1987: 5) notes, "The administrative state began much less auspiciously . . . with the aggressive agitation by aggrieved midwest farmers over what they viewed as imposition of unfair, gouging rates by monopolistic railroads. It was a nasty fight, almost a classic Marxian economic contest between classes." Also the grange movement and other lower-class demands made possible the passage of the Interstate Commerce Commission (ICC) in 1887 to remedy these intense socioeconomic problems.

Similarly, the labor movement had a major contribution to the rise of the administrative state. The rise of the industrial union, the Knights of Labor, in the late nineteenth century, and its continuous demand for major socioeconomic changes in the society is a good example. The economic panic of 1873 worsened the "insecurities" of the now almost ten million nonagricultural workers, who also were threatened by technological advancement in the system of mass production. Therefore, the activism of the labor movement, especially under the leadership of the Knights of Labor, challenged the status quo since "it proposed workers cooperatives to replace capitalism and wanted to do away with the wage system" (Rosenbloom and Shafritz, 1985: 76). While the Knights of Labor organization was dissolved in Chicago's Haymarket Square, some of its "goals eventually came to fruition; among them were the eight-hour day, the abolition of child labor, the creation of a national bureau of labor statistics, and weekly payday" (Rosenbloom and Shafritz, 1985: 76).

But the Civil Service and Reform Movement seems to have made the greatest contribution to the rise of the administrative state. Space limitations here preclude adequate analysis of the spoils system and the consequent reform movement that resulted in the 1883 Civil Service Reform (Pendleton Act). It is sufficient to say that this movement had a tremendous impact on public administration.

Thus the reactive system and its government responded to the societal forces' potential of challenging the system. This response was delivered through the growing intermediating administrative state. As Stillman (1987: 6) notes, it "provided a much needed *constitutional corrective* [emphasis added], offering enhanced individual freedom through the

*positive* enlargement of the public sphere to check and balance unrestrained private power on individuals, groups, and society as a whole. It effectively supplemented, not supplanted, the Constitution . . . ,” which, as an economic document, addressed “the interests of those who wrote it” (Beard, 1986: vi).

A central contradiction of the capitalist economy is that “wages, a cost of production, must be kept down; wages, a source of consumer spending, must be kept up” (*Dollars and Sense* [1976], quoted in Parenti, 1983). This contradiction is a “source of great instability, leading to chronic overproduction and underconsumption” (Parenti, 1983: 17). Without the intervention of the federal government in the management of the business cycle, many convincingly argue, the country “would continuously face collapse,” undermining system legitimacy. From the end of the Civil War to the Great Depression of 1929, “the American economy suffered sixteen major recessions or depressions” (Greenberg, 1986: 296).

The Great Depression of the 1930s was so severe that “none of the supposed ‘self-correcting’ feature of the free market was sufficient to bring the nation out of the doldrums” (Greenberg, 1986: 296). The economic crisis of the 1930s was a potential threat to the legitimacy of the economic system and the political authority, and the enlargement of the administrative state was an inevitable and necessary consequence. The labor movement again questioned the legitimacy of the laissez-faire economic system, and its sociopolitical activism caused major threats to the political authority. The New Deal policies of the 1930s were aimed not only at rescuing the collapsing business sector, but also at preventing a massive social upheaval and buying legitimacy. For example, Rosenbloom and Shafritz (1985: 24) note that “the crash of 1929 and its aftermath seemed to many to require a radical reorganization of the society. It appeared as though the capitalist system had failed.” Parenti (1983: 85) reports that “actually the New Deal’s central dedication was to business recovery rather than social reform . . . . Faced with massive unrest, the federal government created a relief program that eased some of the hunger and starvation and—more importantly from the perspective of business—limited the instances of violent protest and radicalization.”

Similarly, Piven and Cloward (1971: 46, 1985) argue that the policies of the New Deal were a response to the political unrest of millions of Americans in misery. Once the threat subsided as a result of government aid, they argue, “large numbers of people were put off the rolls and burst into a labor market still glutted with unemployed. But with stability restored, the continued suffering of these millions had little political

force.” For example, while the Wagner Law was a positive response to labor pressure in the 1930s, the Taft-Hartley Act limited the rights of labor in the 1940s (Rosenbloom and Shafritz, 1985). Greenberg (1986: 315) argues that the Social Security Act was “Franklin Roosevelt’s response to the threats represented by widespread factory takeovers, the ‘share the wealth’ plan of Huey Long, and the popular Townsend movement.” Witte (1962: v) reports the very large movement led by Frances Townsend of California who advocated a broad-based social reform and welfare plan. His petition was signed by 25 million people. Others also argue that the relief measures of the 1930s and 1960s were instruments of social control of the poor and disenfranchised people whose potential threat to the system legitimacy was recognized.

The growth of the administrative state, then, became a reality in response to problems of legitimacy and system crisis. The Keynesian revolutionary macroeconomic policies advanced ideas for solving the problems of unemployment, economic growth, and distribution of income in society; and the government, through its now large administrative state, became the coordinator of the system.

The administrative state further grew when the military and international role of the United States grew at an unprecedented rate, putting the country on a “*permanent war footing* since 1941. Well over one-half of all budget expenditures since that date have been devoted to military activities” (Greenberg, 1986: 297 [emphasis in the original]). The Vietnam War and the domestic social upheavals made the enlargement of the administrative state possible even further. The massive federal grants-in-aid flew from the federal government and Lyndon Johnson’s War On Poverty and Great Society programs required major administrative actions to provide *relief* services and meet the challenges of civil rights and other movements of the urban poor.

The growth of the administrative state began to be seriously questioned in the 1970s. The end of the Vietnam War in the 1970s that produced many losses, the Watergate scandal and the political crisis of the Presidency, the energy crisis of 1973 through 1974, the two victorious revolutions in Nicaragua and Iran, the hostage crisis, the budget and trade deficits crisis, double-digit inflation, double-digit unemployment, and other problems associated with the general performance of the government as the solver of all problems and as the driving force of society had a tremendous negative impact on the public perception and attitude toward government, causing a major “confidence gap” and a “crisis” in the system. This crisis was aggravated by the economic recessions and many international polit-

ical and economic challenges (Downs and Larkey, 1986; Fainstein and Fainstein, 1984; Feinberg, 1983; LaFaber, 1984; Lipset, 1987; Parenti, 1983; Schott, 1984). Thus the crisis and confidence gap about government performance widened. But the main target of criticism and attack became the administrative state and the government.

## REACTION TO AND THE CRISIS IN THE ADMINISTRATIVE STATE

The rise and expansion of the administrative state has aroused significant reaction from many directions, which, along with other factors, have contributed to the diminution of its infant legitimacy. The following is a brief account of these reactions and sources of the crisis.

### REACTIONS

*Judicial reaction.* The federal judicial response to the rise of the administrative state has been characterized by an initial hostility and eventual "partnership" in which the courts have become more intrusive. The Roosevelt Court was the first to face the major administrative expansion created by the New Deal. Citing several cases like *Wyman v. James*, *Spady v. Mount Vernon*, *U.S. v. Richardson*, *Branti v. Finkel*, and *Schechter Poultry v. U.S.*, Rosenbloom (1987, 1986: 130) clearly shows the initial hostility of the judiciary toward the administrative state. Rosenbloom (1983: 225) notes that this strain on the separation of powers has contributed to a "crisis of legitimacy in public administration."

*Politicians' reactions.* Being primarily interested in getting elected and reelected and enjoying the privileges of political power, the politicians—both conservative Republicans and liberal Democrats—have attacked the administrative state and its bureaucracy in general without making a distinction between the military-security bureaucracy and the general, public service bureaucracy. This lack of distinction has often confused the problems of the large size and "pathological" behaviors of the bureaucracy. The politicians (members of Congress, presidents, and their political appointees) have much to gain politically from attacking the administrative state and its bureaucracy by blaming it for their policy failures (Greenberg, 1986; Jones, 1983).

The conservatives' attack on bureaucracy has usually been based on the classical economic theory of limited government and market supremacy. They argue that big government is a strain on the free market system, that government limits the freedom of choice, that the bureaucracy is a major source of economic problems, and that it endangers democracy. The general expression is "getting the government off our back" (Boas and Crane, 1985; Butler et al., 1984; Salaman and Lund, 1981; Stockman, 1987). The conservative attacks, however, have been consistently paradoxical. Rather than questioning the "outcome" of the administrative state activities "(who benefits?), conservatives examine the inputs (who directs the process? how much does government regulation cost?) and outputs (what is the total benefit?)" (Fainstein and Fainstein, 1984: 311); and their solution to the problem of bureaucracy is privatization and deregulation. The Reagan presidency seems to be the best representative of this ideological argument. As a group of contemporary observers of American government state, in a document known as the "Blacksburg Manifesto," in the 1980s: "we have also allowed public administration to be diminished by the headlong rush to adopt a policy or program perspective excessively focused on output without a balanced concern for the public interest. Output and the public interest are often erroneously assumed to be synonymous" (Wamsley et al., 1987: 302). Public agencies can generate high outputs in the short run, but they may do so at the expense of their own "infrastructure and capabilities" (Wamsley et al., 1987: 302), as well as long-term public interests. Public agencies should not be compared with private corporations that achieve output often at the expense of social equity, environment, and labor well-being without being accountable to anyone for their harmful actions.

While the conservative politicians' attacks on the "welfare state" have had tremendous negative impacts on the administrative state (as will be shown later), they have, ironically, both contributed to and significantly benefited from bureaucratic growth. In times of socioeconomic and political crises, they joined the liberal politicians to expand the welfare state because the state was vital to the continuous accumulation of capital and maintaining social control and political stability. As one of the top conservative politicians, former OMB Director David Stockman, put it: "The conservative opposition helped build the American welfare state brick by brick during the three decades prior to 1980." Regarding the expansion of Medicare and Social Security, Stockman adds, "Over two decades an average of 80 percent of House Republicans and 90 percent

of Senate Republicans voted for these expansions" (Stockman, 1987: 442, 447). According to an observer of American politics, the "mainstream" Americans have always had a "consensus" on matters of politics and policy: "Republican opposition to the New Deal was simply a matter of time-lag, . . . By the time the Republicans regained office—in order to regain office—it was necessary for them to catch up with the consensus. Eisenhower came to administer the welfare state, not dismantle it" (Wills, 1971: 509). It was the "mainstream" consensus that made the conservative Richard Nixon an ultimate liberal, who had to continue the American tradition of "liberalism" (Wills, 1971: chap. 6).

Thus the last three decades of state intervention in the economy both domestically and internationally benefited the conservative as well as liberal politicians and their "big" interest groups. The recent crisis in the stock market crash of 1987, and the urgent call for government intervention into the marketplace, is another good example.

The liberal reaction to the administrative state has been mainly based on a concern for representative democracy. Liberals, unlike conservatives, recognize the need for the administrative state, or welfare state, for political and socioeconomic reasons. Their acceptance of the interventionist state in society and economy reflects their concern for the possible undesired consequences of the crisis-ridden, unchecked, inequality-generating system of the marketplace. They object, however, to the exercise of power by the bureaucracy because of its unelected position. The liberal politicians reserve the right of government policymaking for the elected members of the system. They too have contributed to both the rise and diminution of the administrative state, as the bureaucracy has always served them as an easy target for attacks during election campaigns. Almost every presidential candidate has promised voters that he or she would "fix" the problem of uncontrolled bureaucracy, again making no distinction between the military-security bureaucracy and the general, public bureaucracy (Goodsell, 1985; Greenberg, 1986; H. Rosen, 1985; Rourke, 1986b).

*Media reaction.* The media and press have also contributed significantly to the crisis of the administrative state. State agencies have often become the targets of attack for government inefficiency, waste, corruption, red tape, and other stereotypes. Owned and controlled by major corporate and influential business concerns, television and the press usually induce a negative public image of the administrative state, and its performance. On the other hand, little criticism is offered of corporate waste, fraud, crime, inefficiency, and market failures. They distinguish



between the public and private bureaucracies, and promote a negative public perceptions of the welfare state (Downs and Larkey, 1986; Goodsell, 1985; Parenti, 1983).

*Public reaction.* The public response has been based on the general image of the administrative state shaped primarily by politicians, business leaders, and the media, and secondarily by contacts with the bureaucracy at different levels. The political values of liberal democracy, limited government, liberty, and free enterprise have, as parts of American political culture, influenced the views of the public that government is bad, and this is reinforced through the political socialization process (Greenberg, 1986; Hartz, 1986; Rosenbloom, 1986). As a result, the public has a distasteful, hostile reaction to the administrative state and the bureaucracy (without making any distinction between the two public bureaucracies). They do not seem to realize that the very survival and expansion of the private, corporate sector requires a strong national administrative state (Macpherson, 1987).

*Business reaction.* While business, especially the corporate sector, has often reacted negatively to the rise and expansion of the administrative state, its self-interest has sometimes pointed in the other direction. For example, business supported the policies of the New Deal to rescue it from the collapse of the 1930s, "but as the New Deal moved toward measures that threatened to compete with private enterprises and undermine low wage structures, businessmen withdrew their support and became openly hostile" (Parenti, 1983: 85). Despite the continued protection of the state in domestic areas (subsidies, contracts, protective regulations, tax credits, stability, and order) and the international sphere (military interventions in countries threatening the interests of the transnational corporations, concessionary gains secured through government negotiations, and so on), business has remained hostile toward those parts of the administrative state that form the welfare state. This same state rescued major corporations such as Chrysler, Exxon, Union Oil, and others by "giving several billion dollars" to them since the 1970s (Stockman, 1987: 415). Another example of state protection is Ronald Reagan signing a "bill paying dairy farmers \$1,300 per head *not to milk their cows*" (Stockman, 1987: 418 [emphasis in the original]).

*Academic reaction.* Fascinated by the notion of representative democracy through election, the academicians have also made their contribution to the legitimacy crisis of the administrative state, some intentionally and others unintentionally. The main argument of the academic critics has been that the center of power in the twentieth century has shifted from the

elected legislative branch to the administrative state. This, they argue, has endangered democracy, representation, and accountability. They claim that the separation of power has "collapsed," and that the characteristics of the bureaucracy (as defined by Max Weber) run counter to democratic values (Nackmias and Rosenbloom, 1980; Rosenbloom, 1983; Wilson, 1986). Therefore, the "fourth branch" (Meier, 1987) of government has become a giant force of political as well as organizational power that makes policy, implements it, and adjudicates differences. As a result, a "bureaucratization" (Nackmias and Rosenbloom, 1980) of the three branches of government along with the other parts of society has taken place, and America has become the captive of a "professional state" whose members are neither elected by nor accountable to the public. Perhaps among the best representatives of this position are Frederick Mosher (1968), James Wilson (1986a, b), Francis Rourke (1986), and the conservative scholars in economics and public administration associated with public choice theory, namely, William Niskanen (1971), Vincent Ostrom (1973), and those of the Heritage Foundation think tank (Butler et al., 1984; Salaman and Lund, 1981). Others such as Ralph Hummel (1982) and Fred Thayer (1981) have criticized the nature of corporate as well as public bureaucracy from psychological, political, and philosophical points of view. While the former groups have directly contributed to the crisis in the administrative state, the latter group's consistent criticism has also had an indirect effect on the administrative state. Similar "corrosive influence" upon the administrative state came from humanistic psychology and a variety of cultural dynamism during the 1960s (Wamsley et al., 1987: 303).

*Leftist intellectual reaction.* The Marxist reaction rests on the argument that in advanced capitalist America, the administrative state is a strong instrument serving the ruling class, and that the role of bureaucracy and state in society is determined by the economic requirements of capital accumulation. They attack the bureaucracy for its lower-class oppression and parasitic nature (Miliband, 1969; O'Connor, 1973; Offe, 1985a, 1985b; Poulantzas, 1978). From this perspective, the capitalist welfare state "(1) is largely devoted to enhancing the process of capital accumulation rather than directly increasing the welfare of the masses; (2) it provides social benefits only as they are necessary for capitalist legitimization; (3) it is the servant rather than the master of the capitalist class" (Fainstein and Fainstein, 1984: 310-311).

## OTHER SOURCES OF THE CRISIS

One source of the administrative crisis is the very ambiguous meaning of the administrative state itself. For example, "welfare state" has variably been defined as a "particular state in the development of society," as a "way of life," as a "set of social and economic policies," as "the mode and pattern of government, . . . and expansion of bureaucratic system," and as "not only a product of government action but also a type of society where families fulfill an important role" (Shiratori, 1986: 193-197). Various types of welfare states are identified by emphasizing freedom, autonomy, values, affluence, and fraternity. The concept is thus confusing. Is the military-security state part of the administrative-welfare state? How is bureaucracy differentiated from the welfare state?

Another source of the crisis is the distinction between the public and private sectors. Convincing arguments have been made for differentiating public from private sectors in terms of organization, accountability, responsibility, constitutionality, legality, and so on (Allison, 1987; Perry and Kraemer, 1983). Yet the boundary has been blurred and most of what the public sector does is through the private corporate sector, and much of what the private sector does is subsidized, assisted, and protected by the public sector (Goodsell, 1985; Greenberg, 1986). This has led some theorists to claim that "all organizations are public" (Bozeman, 1987). The public does not know that many of the problems of the administrative state are actually caused by the private sector. The bureaucracy and the administrative state are expected to do impossible things and to perform functions with multiple and unclearly defined goals. It also takes social costs of the market mechanism. Nevertheless, the public bureaucracy has been charged with inefficiency, corruption, red tape, and lack of accountability and political responsiveness. These charges have come from every direction.

Another source of the crisis is the Constitution itself. It does not even mention either administration or bureaucracy; rather it emphasizes the separation of powers. Thus the lack of constitutional legitimacy has always made the administrative state an easy target for political criticism (Rohr, 1986). Consequently, "the history of the modern administrative process can be seen, then, as having been marked by an extended sense of crisis" (Freedman, 1978: 9). Further, as Wamsley et al. (1987: 302) state, public administrators themselves have also contributed to the dim-

inution of the administrative state. "For their part, public administrators have been entirely too timid in pressing their rightful claim to legitimacy." They have also been "hesitant about extending the agency perspective in pursuit of a broader definition of the public interest" and in defending the legitimacy of the administrative state through their administrative behavior that would lead to building "trust among citizens" (Wamsley et al., 1987: 302).

Still another source of administrative crisis is the nature of its role in modern capitalist society. To maintain its relative legitimacy, the modern state has to play two simultaneous but often contradictory roles: The economic role of providing the optimal conditions for capital accumulation (even through coercive intervention at home and abroad) and the sociopolitical role of maintaining order, stability, and social control. A balanced performance of these two roles would be ideal, but it is rarely achieved and seems almost impossible because any such balanced administrative action will require an equal division and exercise of power by the administrative state in society. It also requires an autonomy from private business, especially the corporate sector, a constitutional legitimacy, and an ability to take from capital and distribute it to those whose consent is necessary for system maintenance.

None of these requirements can be satisfactorily met, because the modern state is not and never has been neutral. The administrative state is dependent on and is mainly controlled by capital; it does not have a recognized status of constitutional legitimacy; and it is always subject to charges of limiting capital accumulation and liberty. This is because taking from capital and giving to others for system maintenance decreases capital accumulation and would enlarge the public sector that may seek autonomy and, in an alliance with a massive clientele, attempt to challenge the corporate sector (Connolly, 1984; Habermas, 1984; Held et al., 1983). This would be destructive to the reign of the corporate sector. The business sector would not tolerate it, as it never has. However, reality shows that the state usually takes over unprofitable but "necessary operations and/or is absorbing the cost of looking after that part of the labor force which technological change has made redundant" (Macpherson, 1987: 67).

The "incoherent" nature of the modern administrative welfare state has also been explained by economist Kenneth Arrow (1963), who shows the problem of internal contradictions in defining a democratic "social welfare function." The welfare state is also called impossible, according to Heidenheimer et al. (1983: 330), because "it fails to satisfy socialist criteria for production organized around social needs rather than profit

motives . . . [and] the welfare state also fails to satisfy conservative criteria for maximizing individual liberty. It does not leave people, as Milton Freedman put it, 'free to choose,' and it neither fully accepts nor rejects market mechanisms." The result is a legitimacy crisis of the state in general and the administrative state in particular.

The last source of crisis in the administrative state is the problems facing the economic and sociopolitical systems. As discussed earlier, the international politico-economic challenges facing the United States and the internal crises emanating from major economic recessions and depressions and political crisis, and so on, of the 1970s and 1980s, have resulted in a "confidence gap" on the part of the masses and, therefore, a general crisis in the system. Evidence is abundant, Skolnick and Currie (1985) suggest, that the "crisis in American Institutions" covers the family, environment, workplace, health, education, welfare, and national security. Schott (1984) shows the "persistence of economic problems in capitalist states." Greenberg (1986), Parenti (1983), Habermas (1984), Connolly (1984), Thayer (1984), Macpherson (1987), and others also show how significant the legitimacy crisis in America is. Generally, this blame has been shifted to the government and its administrative state.

### **CONFIDENCE GAP AND POLITICS: ADMINISTRATION INTERFACE IN THE 1980**

The confidence gap resulted in the "triumph" of politics to restore system legitimacy in the 1980s. The rise of the conservative-right to power under the leadership of Republican "crusaders" (Stoessinger, 1985) was made possible by two broad phenomena: the diversion of public attention from internal crises to the external threat of the Soviet Union and the spread of communism and a constant attack on the administrative welfare state. Both have been advanced in the names of democracy, liberty, and American supremacy as the leader of the free world. The principles of limited government, market supremacy, deregulation, supply-side economics, ideology, and global military might have been accompanied by a resumption of cultural and religious fundamentalism. This has been instrumental in rallying millions of uninstructed voters behind Ronald Reagan, who promised to restore American military and economic dominance in the global sphere (Carroll et al., 1985; Levine, 1986; Newland, 1983, 1987).

The triumph of politics has been of four types: (1) interest group politics, which has emphasized the maximization of the interests of the strongest supporters of the Republican regime both financially and politically at home and abroad; (2) partisan politics, which has emphasized traditional, conservative Republican values of politics, economics, and culture; (3) policy politics, which has advanced to enhance both the special, big interest group politics and partisan politics; and (4) bureaucratic politics, which has served as a power instrument to enhance the above three types of politics (Cigler and Loomis, 1986; Dye and Zeigler, 1987; Joe and Rogers, 1985). The triumph of conservative politics over administration has further aggravated the legitimacy crisis of the administrative state, which over decades had gained a professional legitimacy for public administration as a self-conscious enterprise.

#### REAGAN'S POLITICAL ADMINISTRATION

The Reagan administration's unprecedented attacks on the federal bureaucracy and administrative state have resulted in a theory and style that Chester Newland (1983) properly calls "political administration." The major tenets of this political administration, most of which have been made bipartisan, include: ideological orientation of Reaganism; limited government; personalized presidency; supply-side management; privatization of public service; internationalized, warfare-security-oriented state; politics-administration dichotomy; overcentralization of policymaking led from the White House; high level of politicization of the bureaucracy and civil service; excessive practice of patronage and spoils system in the civil service; excessive and illegal use of partisan activities in the civil service; emphasis on conservative regime-enhancement; "Government of Enemies"; deregulation; corporate protectionism; antilabor and antiunionism; and attempts to reverse many policies and Supreme Court rulings of the past that were aimed at reducing economic injustice and serving the general public interest (ASPA, 1986b; Goodsell, 1985; Heclo, 1984; Levine, 1986; Newland, 1983, 1987; Parenti, 1983; Perlmutter, 1984; B. Rosen, 1986; Rubin, 1985).

#### TOOLS OF REGIME ENHANCEMENT

The following have been used as major tools for politicizing the federal bureaucracy and civil service, serving the "particular," big economic interests of the corporate sector, and achieving regime-enhancement: (a)

extensive use of budget and program cuts, impoundments, deferrals, and recisions to "shrink" the size of the federal nonmilitary agencies while enlarging the military-security bureaucracy (Stockman, 1987: Epilogue), making it, as Keller reports, "the world's largest bureaucracy run out of control" (Keller 1985); (b) extensive use, and abuse, of the provisions of the Civil Service Reform Act of 1978, especially the Performance Appraisal and the Senior Executive Service systems, to reward the ideological, political, and personal loyalists, to co-opt potential supporters, and to get rid of unwanted personnel (Levine, 1986; Newland, 1983; H. Rosen, 1985); (c) extensive use, and abuse, of RIFs (reduction-in-force) to cut the size of the federal work force, which has resulted in the subsequent congressional and public employees' union protests (ASPA, 1986c, 1985; Rich, 1986a, 1986b; U.S. Government, MSPB-OPM, 1984). "The current administration has brought an ideological dimension to the process" of RIFs. Consequently, "the process has been upgraded to a policy level" (Rich, 1986b: 3).

Other tools include (d) extensive use, and abuse, of reassignments of non-Republican, career personnel to undesirable positions and geographical locations ("described as Siberia") as a mechanism for inducing resignation and co-optation (H. Rosen, 1985: chaps. 4-8). A good example of this policy-level practice is the case of the reassignment for resignation of Dr. Maxine Savitz, a Senior Executive Service (SES) career appointee in the Department of Energy in 1982 (U.S. Congress, 1983a, 1983b). A congressional hearing concludes that through "RIFs, reorganizations, and unprecedented attrition, those offices and programs in disfavor with the Department of Energy management have been crippled by inadequate staff, shifting managers, and poor productivity due to the removal of qualified personnel and a severely demoralized work force" (U.S. Congress, 1983b: 1).

Other tools of control include: (e) extensive ideological socializations and indoctrination for political appointees and their key administrators; (f) attempts to dismantle certain agencies with weak clienteles, while increasing the budget of agencies with powerful clienteles (e.g., Veterans Administration); (g) reorganization; (h) overcentralization of the federal bureaucracy by eliminating the middle-level managerial positions and concentration of policy functions in the White House; and (i) separation of policy from administration (Carroll, 1987; Newland, 1983; B. Rosen, 1986; H. Rosen, 1985).

While the administration has systematically rejected pro-poor protection, it has provided protection to the big business and corporate giants—

through deregulation, billions of dollars in subsidies, guaranteed loans, tax credits, relaxation of labor laws, and attempts to reverse past legislation and Supreme Court decisions intended to limit the abusive power of the private sector in personnel actions (ASPA, 1985; Stockman, 1987: chap. 12, Epilogue). The recent EEOC decision to abandon hiring goals and timetables and the administration's attempt to nullify some of the provisions of the Civil Rights Act of 1964 are but two examples (ASPA, 1986b: 1, 4). According to a member of the U.S. Civil Rights Commission, the agency has lost its credibility "and become a little Beirut in the Potomac . . . [and] is no longer an important voice on behalf of national goals and ideals" (quoted in ASPA, 1986b: 1, 4). Partisan politics have been highly promoted and the Hatch Acts of 1939 and 1940 have been extensively used to punish those public employees and their union officials who participated in voting registration activities and/or endorsed Democratic candidates during the 1984 presidential election.

Whistle-blowing has become a most dangerous action in the federal bureaucracy, leading to quick dismissal without protection. Even congressional members advise whistle-blowers to make their disclosures anonymously, and the Reagan appointee in charge of protecting whistle-blowers advised them in 1984: "Unless you're in a position to retire or are independently wealthy, don't do it. Don't put your head up, because it will get blown off" (H. Rosen, 1985: 93). This problem has recently caused Congress to pass another law to "ensure that civilian employees of government contractors are afforded job protection, and in some cases monetary rewards, for turning in unscrupulous contractors" (ASPA, 1986a: 1, 4). In short, the triumph of conservative particular interest politics under Reagan has had dramatic impact on the administrative state.

### THE IMPACTS AND THE CRISIS

Some of the major impacts of Reagan's policies on the administrative state are the following.

*Loss of expertise and institutional memory.* Strong evidence indicates that a large number of well-trained, highly competent professional career personnel, whose commitment to public service has served several presidents, are no longer in the civil service. Many have been separated by reorganization and RIFs (especially at GS 5-13), 49% of whom are minorities and women (U.S. Congress, 1984: 2-3). Many others have been reassigned either to undesired locations and positions or demoted (e.g., people with Ph.D.s to clerical jobs). More important, many others have



left public service and have taken higher-paying executive positions in large corporations. This is especially true in the case of SES: by March 1983 40% of these invaluable public servants had left civil service, 22% were planning to leave, and 72% indicated that they would not recommend federal government careers to their children. By mid-1984, 45% of the SES executives "had left the government" (Goodsell, 1985: 174-175; Heclo, 1984: 12-14; Levine and Hansen, 1985). This is an historical phenomenon in the American political system.

While the institutional memory, the "leadership core," and the expertise of the administrative state (nonmilitary-security) have been drastically reduced, the Reagan administration has not been able to fill many key positions of the bureaucracy because ideologically committed Reaganites have been reducing in number. The result has been a crippling of organizational competence (Goodsell, 1985; *New York Times*, May 3, 1985: A19; H. Rosen, 1985). Thus the administration has achieved two objectives: (1) transferring the institutional competence of the administrative state to the private, corporate sector, and (2) advancing market efficiency as the slogan against the crippled bureaucracy (Farazmand, 1985; Pfiffner, 1987).

*Efficiency.* With severe budget cuts, loss of expertise, job insecurity (many civil servants have been replaced by temporary and unqualified persons), and dominance of unqualified and inexperienced political appointees, the crippled bureaucracy has naturally suffered efficiency problems, and thus become subject to further public and political criticisms (Fainstein and Fainstein, 1984; Farazmand, 1985; H. Rosen, 1985).

*Morale and motivation.* Devastating adverse impacts have been inflicted on the morale of career personnel and their motivation for initiative, creativity, and innovation in public management. A highly hostile and suspicious environment created by the political appointees has caused alienation, extremely low morale, and a feeling of degradation among the career people (Denhardt, 1987; Downs and Larkey, 1986; Farazmand, 1985). As one postal employee put it, "Working for the U.S. government today is like being a Jew in Germany when Hitler came to power. You are defenseless, blamed for all the problems of the country, and used politically as best suits the objectives of the Administration rather than the American people" (quoted in Goodsell, 1985: 171). But professionally unqualified persons have been promoted in the bureaucracy in violation of civil service laws. The bureaucracy and civil service have become more than ever an instrument of Republican regime-enhancement headed by the "government of enemies" (Heclo, 1984; Stockman, 1987: Epilogue).

As Charles Levine (personal interview, August 1985) put it, "the time of neutral competence is over."

*Minorities and women.* Minorities, younger, nonveteran, and female personnel have been affected most by the changes in the administrative state. According to a congressional document, about one-half (49%) of all the RIFs have hit the minorities, 54.6% of these minority women. Other groups follow the minorities (U.S. Congress, 1984: Executive Summary and pp. 1-10). Charges of pervasive discrimination and prohibited personnel actions have increasingly been documented in past years (ASPA, 1987b; U.S. Congress, 1983a, 1983b).

*Corruption.* Bureaucratic corruption by political appointees and their partisan administrators in office has been pronounced. The almost daily disclosure of these corruptions have ranged from favoritism to partisan preference, to patronage and "selling" the privilege of seeing the president to business leaders for contributions to the *contras*, to waste and billions of dollars of kickbacks, return of favors to corporate contractors, "conflict of interest," and bribery (Rep. Barry Anthony on ABC's *Nightline*, April 29, 1987; Farazmand, 1985, 1986; Newland, 1987; Parenti, 1983: 96-97).

*Quality of service.* Overwhelming evidence suggests that the phenomena outlined above have had, and will increasingly have, significant negative impacts on the quality of public service. This is especially true with the privatization or contracting out ("selling out") of public service (Downs and Larkey, 1986; Farazmand, 1985, 1986; Goodsell, 1985; U.S. Congress, 1983b: 1-111). Evidence supports Howard Rosen's (1985) argument that private companies bid on public service contracts with lower cost first, then once granted contracts and subsidy, they start raising prices, perform poorly, provide lower-quality service, violate safety regulations, and fail to meet schedules, practice substandard compensation, are not accountable to the public, and the government loses control over companies' output. The result is poor service and no accountability (Farazmand, 1985, 1986; Kettl, 1988; Perlmutter, 1984; Stern, 1984).

The famous report of the Peter Grace Commission, whose findings have been seriously questioned by congressional investigations and by independent researchers, proposed a comprehensive privatization of American government. As Goodsell (1985: 174-175) put it, its ideas "extend to items deeply imbedded in the citizens' personal relationship with government, such as readiness to save our lives, . . . its provision of the coin of the realm, . . . its trust in our word, . . . and its own fiduciary promises. Should the values inherent in such relationships be subject to cost comparisons and motivated by profit-seeking?" Another expert,

Chester Newland (1987: 54), reports that "cost overruns, excessive prices, performance failures, and corruption in space, defense, and other national government contracts have become routine, increasing as deinstitutionalization and politicization have advanced" under Reagan.

Deinstitutionalization of public service as a result of privatization and replacement of the welfare state with the warfare state (with a budget increase of 40%) by the Reagan administration have returned to the corporate sector some of the favors that the "BIG money" and "particularistic interests" paid during the presidential and congressional elections in the 1980s (Newland, 1987: 45, 53). Congressional criticism of the officials in the Department of Commerce shows "the automatic approval of decisions already made outside the Government in business and industry" (quoted in Parenti, 1983: 299). While the "Nixon administration" was a "business administration" and its "mission" was to "protect American business," (according to Nixon's Secretary of State William Rogers; quoted in Greenberg, 1986: 302), the Reagan administration has undoubtedly been BIG business administration (Newland, 1987: 45-53; Stockman, 1987: Epilogue). Privatization has reduced the American citizens down to "consumers" of the marketplace (Frederickson and Hart, 1985). While Peter Grace's plan for privatization has been implemented by Reagan, children of the Boston area have been dying of leukemia caused by Grace's chemical company's contamination of water wells (CBS, February 3, 1986; *Washington Post*, June 1, 1988: A3). Other aspects of the loss of public service can be shown by statistics: collapsing public bridges (57,000 in 1987 compared to 15,000 in 1983) (CBS, June 4, 1987); massive unemployment (about 7%-14%, including hidden unemployment) (Greenberg, 1986: 319); and massive growing poverty (according to James Carroll, in 1983, "22.2 percent of all children in the United States were living in poverty. . . . These children constitute 40 percent of all poor people, . . . and 22 percent of its [nation's] youth" (Carroll, 1987: 112). Crisis in education, health, environment, and so on should also be noted (Skolnick and Currie, 1985; Thayer, 1984).

## CONCLUSION

The triumph of politics over administration in the 1980s under the Reagan presidency, a response to the sociopolitical and economic crises, has resulted in a significant diminution of an administrative state already

facing a legitimacy crisis. This crisis has had and will continue to have major political and socioeconomic consequences in the United States. The important question today is: Will the administrative state survive the current crisis? It is a conclusion of this article that despite the current crisis, the administrative state and its bureaucracy will ultimately survive and rise again. The survival and revival of the administrative state is inevitable and necessary because it is functional to system maintenance and system legitimacy; and the pervasiveness of state is a global phenomenon (Kazancigil, 1986).

The corporatization and commercialization of American government in the 1980s have had and will continue to have extensive social costs (market failures of externalities, unemployment, and so on) in the inherent crisis-ridden nature (business cycles) of the market system, requiring protective intervention from the state. In short, the highly centralized corporatization of America, including the agricultural sector, will enlarge the working class and the poor by millions. This army of unemployed and unskilled will join the millions of others already displaced by rapid technological advancement. Such a massive pool of unemployed and underemployed will likely represent a "potentially disruptive and explosive mixture, . . . and the principal instrument for treatment of this explosive mixture under modern capitalism is the system of welfare" (Greenberg, 1986: 320). Thus the corporate sector will need the administrative system to absorb the social costs of the marketplace, to cool the explosive mixture, and to provide system legitimacy through relief programs. In the words of David Stockman (1987: 413), the White House has also recognized "the political necessities of the welfare state." The administrative state will be needed, as it always has been, to provide stability, system enhancement, and system legitimacy.

Contrary to the charges of the opponents of the administrative state, evidence suggests that in fact the administrative state has been more productive, more efficient, more equitable, more accountable to the public, and more responsible to political and policy goals than has the private sector (Abrahamson, 1987: 360-363; Downs and Larkey, 1986; Goodsell, 1985; Perlmutter, 1984; Rose and Shiratori, 1986; H. Rosen, 1985; Thayer, 1984). According to the ASPA's President Robert B. Denhardt, "Over the past 20 years governmental productivity has increased 1.5% a year, almost double the national average" (Denhardt, 1987: 2). As John Logue (1979: 85) points out, "The welfare state is the victim of its success, not of its failures."

Calls for revival of public service have been made recently by a growing number of academicians, practitioners, and legislators, and alternative approaches to administration have been suggested by some public administration scholars (Carroll, 1987; Denhardt, 1987; Goodsell, 1985; Rep. Schroeder—ASPA, 1987a). This article suggests an Integrated Model of Public Administration, which embraces politics as well as administration. For two centuries, the relationship between politics and administration has been one of the most controversial issues of American government. No government in modern society can govern without an administrative system, and no administrative system is politically neutral (Waldo, 1984). A reassessment of the Constitution (prepared for its *time*) is needed to grant the administrative state a legal legitimacy, and to make it an equal partner in the institutional structure of the governance in America. Such an administrative state will have to be representative of different social classes and of ethnic and racial segments of the population. A politico-economically representative administrative state will be actively involved in making as well as implementing policy. An integrated administrative system will be professionally competent, politically more accountable, more responsive to public need, and more sensitive to public interests. It will also be a powerful instrument of system maintenance and system legitimacy. Elsewhere (Farazmand, 1989, forthcoming) I have discussed in detail the major aspects of a proposed Integrated Theory of Public Administration that outlines the principal foundations for legitimizing the administrative state. For the purpose of this article, the proposed Integrated Theory of Public Administration emphasizes the “guardianship,” “trusteeship,” and “agency” roles of the administrative state and public administrators in serving the general public interests, not the particular partisan interests, and in promoting constitutional principles of democracy and social justice. Some of these aspects of the administrative state have already been suggested by others (Rohr, 1986; Waldo, 1986a; Wamsley et al., 1987).

It seems appropriate to use Dwight Waldo's (1986b: 468) words that “public administration, seeking to solve problems in a very real world, is importantly involved in creating the political theory of our time. I am confident that this will be the verdict of the history.” Long-term damage to public service and administration has already been done. A joint effort by public administrationists, a politically conscious public, and politicians is badly needed now to change the current trend. Fortunately, there are signs of such effort. As Seymour Lipset (1987: 23) concludes, Americans

remain "dissatisfied with the performance of their leaders in powerful nongovernmental institutions, . . . [and] the continuing confidence gap could easily give rise to an era of progressive policies aimed at reforming the structure of private power in the United States."

## NOTE

1. This article is an updated and expanded version of the original paper "Politics of the Federal Bureaucracy and Administrative Theory under Reagan," presented at the 47th National Conference of ASPA in Anaheim, California, March 13-16, 1986. Information has been collected from several sources. Interviews were conducted with 35 federal officials (former and present) at the MSPB, Office of Special Counsel, senior staff members of the Congress, scholars in the field, and federal employees' union officials. Also government documents on the subject were carefully examined at the OPM Library and the Library of Congress, scholarly works in the field were reviewed, and other official and unofficial reports and secondary information were examined. Because of space limitations, a detailed analysis of the historical context of the administrative state has been neglected. I have done this elsewhere. See Farazmand, *Crisis in the U.S. Administrative State: A Political Economy Analysis* (Praeger, forthcoming).

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*This article seeks to relate materials concerning citizenship and the character of administration with the theory and experience developing in the behavioral sciences, especially in Organization Development and Organization Behavior. Basically, the article proposes that a convenient starting point exists for enhancing levels of democratic consciousness and experience in organization citizens. In turn, this enhancement can contribute not only to High Administration but also to High Citizenship, as those notions have come to be used in both political science and public administration.*

## **TOWARD A POSITIVE AND PRACTICAL PUBLIC MANAGEMENT Organizational Research Supporting a Fourth Critical Citizenship**

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**All Americans hold three** vital citizenships—in the nation; the states, and their local governments—and for Norton Long (1976: 13-14) this raises two troubling questions. “How can you have deep loyalty to organizations that all may join and indeed that none need join to enjoy almost all the organizations’ benefits? How much serious political work can organizations do that are unable to command a high order of commitment on the part of their members?”

This article raises Long’s ante. It focuses on a fourth crucial but neglected class of citizenship—that of employees in our several public and business organizations—and seeks to exploit two sources of leverage. Thus research in Organization Behavior (OB) and Organization Development (OD) provides practical direction for our decreasing tolerance of

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second-class organizational citizenships, whether for public officials (e.g., Rosenbloom, 1983) or for those in business organizations (e.g., Ewing, 1977). Moreover, an affirmative paraphrase of Long's two basic questions describes a second kind of crucial leverage:

You can have deep loyalty in working organizations, for joining them and committing to them makes available a broad range of benefits that employees can directly enjoy. These benefits include high satisfaction and high productivity, both of which imply more rewarding work. Moreover, as organizations induce worksites that can command a high degree of commitment of their members, so also do organizations contribute to much serious political work—not only in internal functioning as a good organization citizen but also in the learning and reinforcement of attitudes and skills useful for active citizenship of the three kinds about which Long wrote.

The essentials of this article apply to both public and business sectors, but public management gets sole attention in proposing that a positive and practical public administration does not jeopardize popular sovereignty, and arguably supports it. Specifically, this article highlights:

- three alternative models of Citizenship/Administration mixes
- the debilitating extremes dominant in contemporary public administration
- the content of “a positive and practical Public Administration”

### **THREE MODELS OF CITIZENSHIP/ADMINISTRATION**

To simplify in the service of understanding, three models of citizenship ↔ administration have dominated: the “direct integration” view of classic Greek experience; the “substantially divorced” concept consistent with neutral bureaucracy, which has been with us since the Pendleton Act days and before; and an emerging “multiple and interacting citizenships” view.

#### **MODEL I: DIRECT INTEGRATION**

Relying on details well-provided elsewhere (e.g., McSwain, 1985: esp. 131-136), Model I in Figure 1 proposes that citizenship equals administration. As McSwain (1985: 135-136) concludes: “[In Greece, the] qual-

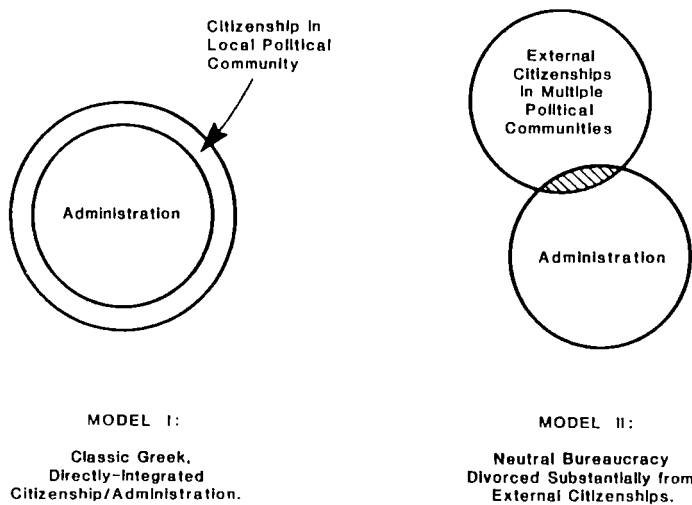


Figure 1: Three Models of Citizenship and Administration

ification for administration was citizenship, and the definition of citizenship was involvement in administration."

One needs to limit this generalization. Not every Greek was a citizen, and women were deprived of any hope of citizenship. Moreover, not all citizens served in administrative roles at the same time. But all citizens did belong to the central Assembly, *the* policymaking body of the city-state or *polis*, and specialization in administrative roles was deliberately restricted—as by random assignments and very brief tenures—so as to make it unlikely that any clique would dominate.

Hence two concentric circles represent Model I. In Wolin's (1960: 58) words: "Citizenship connoted the right of an individual to live in the only form of association that allowed him to develop his capacities to the fullest"; and citizenship also permitted direct and relatively equal participation in the administration that gave concrete form to rights-in-action. All citizens are connected to each other in the *polis*, or what McSwain (1985: 135, my emphasis) calls "*the* source of meaning and value." The citizens share in common projects, perhaps especially in administrative roles. "Connection to others" and "common projects" directly integrate citizenship and administration.

Model I is not merely antiquarian. Marx clearly had some such notion in mind when he excoriated role specialization as the source of humanity's problems, and not only in connection with governance (e.g., Ebenstein, 1956: 657-658). Several other prominent utopiates—for example, the "continuous encounters" of the New Public Administration (White, 1971: 79-83)—also have a distinct Model I flavor.

## MODEL II: DIVORCED REALMS

For a century or more (e.g., Golembiewski, 1984: 237-245), administration has been seen conventionally as the province of specialized actors who neutrally pursue policy choices made by others via applying logic to data, especially in accordance with "scientific principles." Citizenship is radically differentiated from Administration, and even its fundamental rights do not apply within organizations. Protected tenure purchases the political neutrality of those specialized in administration.

Practice followed precept, often to great lengths. Notice Rosenbloom's (1983: 99, my emphases) unqualified conclusion: "Only after the number of public employees increased drastically *in the third quarter of the present century* and infringements upon their ordinary constitutional rights became widespread and severe did the judiciary seek to formulate

a comprehensive response to this crucial facet of the administrative state.” In the once-popular vernacular: “Autocracy at work is the price we pay for democracy after hours” (quoted in Waldo, 1980: 90).

Model II prescribes the substantial divorce of external citizenships and administration, as reinforced by bureaucratic principles. Together, they constitute a kind of double whammy distancing the political and organizational realms. Put in an extreme way, public administrators are twice constrained from stealing the sovereignty viewed as belonging to “the people,” an aggregate distinguished from those in public service roles (Thompson, 1975): Citizenships in the political and organizational realms are distinct and overlap little; and organizational citizenship has a sharply limited character, in that it distances the individual both emotionally from work as well as from external citizenships (Golembiewski, 1985: esp. 150-186). These “principles of bureaucracy” imply both qualities:

- a well-defined chain of command that vertically links channels of formal interaction, and that disregards social and psychological linkages— involvement, commitment, and so on
- a division of labor based on specialization by function or process that vertically fragments a flow of work—a pattern of specialization that, among other qualities, seeks to reduce the probability that an individual or unit will handle a complete transaction and hence employs distrust as a major engine for approaching honesty and competence
- a system of procedures and rules for dealing with contingencies at work that reinforces the insularity of each organization unit
- impersonality and detachment between organization members as well as between members and clients
- an autocratic style of supervision that complements the organizational differentiation and segmentation, especially by a “narrow span of control”: that is, only a few subordinates report to each supervisor so that their performance can be directly observed

Model II is ubiquitous (Golembiewski, 1984: 237-251), even though it poorly suits representative ideals. Witness the recent major ASPA effort (Frederickson and Chandler, 1984) that exhorts administrators to work assiduously to enlarge and enrich these external citizenships, including their “inward penetration” *into* administration. As Gawthrop (1984: 106) notes:

The new focus [of the permanent career service] for the year 2000 should be clear. It must include a new and explicit function added to constitutional mandates of the executive branch. In addition to ensuring that the laws are



faithfully executed, it must also become the primary responsibility of the permanent career service, at all levels of government, to ensure the vitality of citizenship in an active citizenry fully engaged in the art of government . . . to make the participatory power of the body politic once again real and meaningful. It is to make government interesting once again to the citizenry.

But the ASPA effort is all but mute on citizens as employees. Witness this revealing exchange about whether and how internal citizenship might complement the desired enrichment of external citizenships (Frederickson and Chandler, 1984: 143):

BEAUMONT: John and Ralph, have you thought about the analogy of moving from consumer to high citizen compared to moving from authoritarian leadership in organizations to participative management?

ROHR: No, I have not thought about it.

CHANDLER: I haven't either, but you just gave me an idea. There is a good model in there somewhere.

### MODEL III: MULTIPLE AND INTERACTING CITIZENSHIPS

Figure 1 poorly represents the dynamic sense of Model III, but the essentials are there. It distinguishes two classes of citizenships, and both are open figures to suggest growth rather than a static state. As befits their long heritage, the physical representation of the three external citizenships is quite "large" and, although not drawn to scale, the symbol for internal or organizational citizenship is "smaller." Finally, the cross-hatched area represents the small but growing confluence in public organizations of both internal and external citizenships.

What can the cross-hatched area contain? Internal (or organizational) citizenships are at an early stage of development, but these tendencies illustrate the broader possibilities:

- freedom of expression as a right, but even more so as an "automatic responsibility" when system welfare is involved and when members have relevant information
- an encouraged and facilitated freedom to form and join coalitions—for emotional support, for influencing policies, or whatever
- the right and duty to variously express preferences, which includes traditional voting but extends far beyond it

- a facilitated eligibility to seek office or authority, "facilitated" referring to a systematic emphasis on career-long training and development for employees
- a determined bias toward developing and using multiple sources of information
- participation in influencing choices of authority figures, with a bias toward enriching opportunities for that participation over time
- policymaking that is responsive to expressions of employee preferences as part of the political field of forces
- policymakers oriented toward soliciting expressions of preferences to test support for policies and authorities—among employees, clients, and broader publics
- a bias toward enriching participation so as to heighten involvement, commitment, and reasonable self-control by employees and clients

Model III patently covers more differentiated territory than the other two models of citizenship. From a convenient if simplified perspective, to illustrate, this model rests on the traditional view of three interacting "competencies," which can be arrayed from more to less determinative in this order: political → managerial → technical. However, significant feedback loops exist among the three competencies in Model III, and numerous contingencies affect the legitimate dominances.

In skeletal terms, these contingencies relate to the fact that Model III rests on complex value-infusing dynamics. To illustrate, even technical competencies might prove dominant or very influential, usually cloaked in the trappings of expertise, experience, or profession. The tragedy of NASA's shuttle vividly illustrates the dangers of lock-step adherence to the traditional hegemony: political → managerial → technical.

More pervasively, these value-infusing dynamics get embodied in *the* managerial functions, which may be influenced by legislature or executive but that typically for policymakers are out-of-mind, if not out-of-reach. Consider here only three organizational aspects that are influenced if not determined by managerial competencies: niche, standing, and style. Thus market *niche*—what an agency does and for whom—often evolves in part beyond policymaking control or even ken. *Standing* is usually even further beyond the reach or grasp of political competencies, especially in the short or intermediate run, dealing as it does with the higgling-and-piggling by which an agency positions itself in its arena. Finally, *style* is usually the most idiosyncratic and autonomous expression of managerial competencies. Style relates to the particular culture and character that

evolve out of myriad experiences and personalities, and constitute templates not only for how organizational things get done, but even what gets done—to what standards of urgency, excellence, and sensitivity to ethics or values.

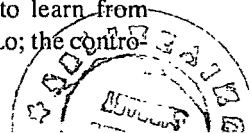
Model III proposes that these multiple competencies should be free over a considerable range to work against one another. If the political overly dominates, at an extreme that can generate “Lysenko biologics” and administrative fear (e.g., Medvedev, 1969) as well as responsiveness to new political mandates. If technical competence is reinforced by massive dependence on professionals, alternatively technocrats may lose sight of who is serving whom. If managerial competencies are severely hedged and hindered, outcomes can trend toward the awkward and even destructive. Thus organizations can become ponderous in environments requiring quicksilver adaptation; or work environments can be insensitive to human rhythms and to situational features, thus distancing employees from their work and their clients. Perhaps worse still, hindering diverse managerial competencies implies there is a one best way, an assumption about both “is” and “should” against which massive evidence can be marshalled (Goodsell, 1985: 38-42).

So Model III seeks to balance what Models I and II alternatively deny or define out of existence. For example, in Model III the managerial and technical arenas do, *and should*, contain high degrees of role specialization, but balanced by a concern with science, technology, and values. In contrast, Model I denies the need for role specialization; and Model II emphasizes extreme role specialization, which requires procrustean separation and awkward reliance on administrative autocracy in the service of representative political ideals.

### DEBILITATING EXTREMES DOMINATE PUBLIC MANAGEMENT

A “crisis of governance” has been center stage of late, with mixed consequences. In principle, the issues are central to public management (PM), and hence the attention is welcome. In practice, however, PM has been a definite loser in at least two senses. Thus debilitating extremes dominate the ideological scene, and they pull PM hither and thither, like some rag doll.

Three perspectives on extremism get attention, so as to learn from them. They include the debate about HiCitizenship versus Lo; the contro-



versy about HiAdministration versus Lo; and the curious inability to link HiCit and HiAdmin.

### HIGH VERSUS LOW CITIZENSHIP

Major ideological debate swirls around the sense and scope of citizenship in representative polities. HiCit proponents focus on how things should be, or might be, or how they allegedly were in some past enlightened day and time. In HiCit, Flathman (1981) explains, "Citizens are free, equal, and engaged with one another in pursuing matters of high and distinctively human import. Citizenship is the distinctive human activity and the distinctively important feature of a political society." This echoes Model I, of course.

LoCit proponents provide sharp opposition, ending in a different place in large part because of where and how they start. They see HiCit ideals as distracting, or even dangerous. Zealots attempting to activate such ideals not only dream the impossible dream, the LoCit view proposes, but such efforts will prove counterproductive because of the way things are—because of what citizens do or, more especially, because they do not consistently perform citizenlike behaviors (e.g., Converse, 1970). Hence attempts to achieve HiCit ideals are "unachievable in and, hence, irrelevant to political life and practice in the modern nation state. The continuous, intense, morally uplifting interactions that the [HiCit] ideal presumes can obtain, if at all, only among sub-groups within the large, complex and impersonal societies of the modern world" (Flathman, 1981: 9).

LoCit inclines toward elitist models then. These come in many varieties—from the straight-vanilla version of early observers such as Michels, to "interest group liberalism," "countervailing powers," and so on (e.g., Cooper, 1984).

### HIGH VERSUS LOW ADMINISTRATION

If in less dramatic terms, High/Low issues preoccupy much thought about Administration. LoAdmin has long been with us in Model II, and supports the role for a public manager sketched in Table 1A. The total sense of that role is captured by Thompson (1975), who gave this title to a book on the "neutral bureaucracy": *Without Sympathy or Enthusiasm*.

HiAdmin variants have been contrastingly expansive, both early and late. Early views emphasized that the major constraints on public employees were professional or scientific standards (e.g., Friedrich, 1940). More

TABLE 1A  
**Traditional Role of the Public Manager**

---

VIEW OF SELF

|                                   |                                              |
|-----------------------------------|----------------------------------------------|
| <u>In relation to:</u>            | <u>The public manager sees self as:</u>      |
| projects                          | an administrator                             |
| policy                            | a policy implementer                         |
| perception of political authority | organizationally centered -- vertical        |
| effectiveness criteria            | committed to economical efficient government |
| change                            | an adaptor who copes                         |

VIEW OF RECIPIENTS OF PUBLIC SERVICES

|                        |                                               |
|------------------------|-----------------------------------------------|
| <u>In relation to:</u> | <u>The public manager sees recipients as:</u> |
| program design         | targets to be impacted                        |
| political force field  | electors of representatives                   |
| human needs            | categorical                                   |
| resource allocation    | units or cases                                |
| services               | received as a privilege                       |

---

SOURCE: Based on Clayton and Gilbert, 1971: 10.

recently, the words have changed but the bottom line remains the same, as in the New Public Administration. Table 1B sketches several major features of a compatible role description, which may be labeled "seeker of social equity," if not "advocate." That role intends a great leap from here to there—in one bound, as it were. One measured and even friendly estimate reflects just how long this conceptual jump might be: "The new Public Administration might well foster a political system in which elected officials speak basically for the majority and for privileged minorities while courts and the administrators are spokesmen for disadvantaged minorities" (Frederickson, 1971: 329).

Although expansive, HiAdmin variants face at least three conceptual obstacles. First, traditionally most commentators have seen HiAdmin as in conflict with HiCit, and they prefer the latter. Consider the deeply ingrained democratic tradition "most articulately advanced by such distinguished scholars as Charles Hyneman and Herman Finer—namely, the

TABLE 1B  
**Proposed Role of the Public Manager**

VIEW OF SELF

|                                   |                                          |
|-----------------------------------|------------------------------------------|
| <u>In relation to:</u>            | <u>The public manager sees self as:</u>  |
| projects                          | a champion of                            |
| policy                            | a policy maker                           |
| perception of political authority | community centered                       |
| effectiveness criteria            | committed to social and economic justice |
| change                            | an advocate who influences               |

VIEW OF RECIPIENTS OF PUBLIC SERVICES

|                        |                                               |
|------------------------|-----------------------------------------------|
| <u>In relation to:</u> | <u>The public manager sees recipients as:</u> |
| program design         | consumers with a choice                       |
| political force field  | direct participators                          |
| human needs            | comprehensive                                 |
| resource allocation    | discrete individuals                          |
| services               | received as a right                           |

SOURCE: Based on Clayton and Gilbert, 1971: 10.

ultimate subordination of all public administrators to the legislative branch of government" (Gawthrop, 1984: 103-104). Such advocates accept that their HiCit implies a diminution in Admin, and they consider this a worthwhile trade-off. They seek to prevent Bill Bureaucrat from stealing sovereignty.

Second, contemporary HiAdmin variants must swim against strong ideological currents. Consider only the strident voices—from the left as well as from the right of the political spectrum—decrying the autonomy of the professional and the scientist (e.g., Bell, 1973). Of course, this undercuts traditional HiAdmin.

Third, rising political majorities also complicate life for traditional HiAdmin, no doubt to get their piece of the pie. Thus Donald J. Devine, Jr., who has presided over much federal cutback management, urges that the tethers of Model II should be shorter and stouter, if anything. He observes (Devine, 1981-1982: 9): "I disagree sharply that civil servants

should create policy through their own motives of 'social equity,' instead of administering according to the view expressed by the people at the ballot box." Chandler adds both bipartisan and historical perspective to the current (and likely continuing) theme articulated by Reaganite Devine. Chandler (1984: 197) rightly observes:

There is a concerted effort among political leaders of both parties to reassert the politics/administration dichotomy and bring recalcitrant civil servants to heel. The war on bureaucracy was largely responsible for electing the last two American presidents after Richard M. Nixon discovered the mother lode of public antipathy toward Bill Bureaucrat in 1968. Vietnam and Watergate only side-tracked the issue temporarily.

#### HIGH CITIZENSHIP AND HIGH ADMINISTRATION

Expansiveness also dominates attempts to pair HiCit and HiAdmin. Characteristically, one proponent (Chandler, 1984: 202) prescribes: "The public administrative task is to take unapologetic leadership in making American public institutions more reflective of the communal values of justice and equity which are our goodly heritage." This view is associated with classical professionalism, operationally defined as exempt[ion] from public and community standards "that would be undercut (for example) by lateral-entry personnel systems" (Chandler, 1984: 198).

Such HiCit/HiAdmin variants do not provide a foundation for a reasonable next step in PM reform, as five points demonstrate. First, most observers see conventional HiCit and HiAdmin as incompatible. As for the version sketched above, Waldo (1984: 108) leaves no room for doubt. "The idea—if publicized—that civil servants are going to instruct citizens in their citizenship role would strike most citizens as one or more of the following: impractical, presumptuous, humorous, outrageous."

Second, proponents of Hi/Hi typically accept the usefulness of a unidirectional linkage: HiCit → HiAdmin. For example, McSwain (1985: 131) stresses that "the need to revitalize a concept of citizenship in order to improve our common governance has become a visibly important topic."

This unidirectionality is seriously limiting. For example, HiCit → HiAdmin variants do not explain what will motivate the movement in the face of formidable counterforces. Savage (1971: 51) illustrates the impasse: "Public administration does reflect rather than create a political culture [and] it behaves very much the way society expects it to behave,

and [hence] what is missing from public administration is not just representation and participation but the impetus of political and social will flowing from the public realm."

Third, HiCit/HiAdmin variants fixate on globals—on pervasive "shoulds" that run counter to the dominant "is," on the nation state at which level significant ideological debate exists, and so on. To illustrate, we have a tolerable idea of the practical consequences of a Model II view of organizational citizenship. But what if many (or even some) public administrators systematically began to practice the HiAdmin role described in Table 1B? No one knows, but the experiment would be momentous.

This fixation on globals implies one of two scenarios: general stuckness; or alternative conceptual fits-and-starts that risk analytic and practical ennui as polar opposites succeed one another.

Fourth, relatedly, HiCit/HiAdmin variants are short on the technology for moving from here to there. More extensively than most, for example, Frederickson (1982: 505-506) notes that "strict hierarchy" is not workable, as well as that "uncertainty" provides a more fruitful focus than the "rational model." This seems useful, but it is quite limited, even as extended by Frederickson (1970) elsewhere.

Fifth, most proponents of both HiCit and HiAdmin support Model II—to various degrees, but nonetheless sufficiently so. Or, alternatively, they may see no reasonable and practical alternative to Model II, which, of course, provides the tether appropriate for LoAdmin. To illustrate, HiCit typically calls for enhanced participation by the citizenry in agency affairs, if not coproduction, which will function best in an agency that has substantial positive experience with a trust/consensus style of management. But Model II induces a polar-opposite style; and the prescriptive literature—as in the New Public Administration (Golembiewski, 1977, Vol. II: 121-149)—does not provide the goals-plus-technologies for inducing appropriate contexts. Consequently, "citizen participation" often runs afoul of opposing agency traditions and institutions, *even if* crass manipulation is avoided. Specifically, coproduction might be seen as a way to simplify the management job without corresponding adjustments vis-à-vis the public. Few will be fooled over the long run by such asymmetric offers.



## TOWARD A POSITIVE AND PRACTICAL PUBLIC MANAGEMENT

The preceding conceptual review provides useful orientation toward a positive and practical public management (PPPM). This approach builds on substantial existing practice and research—especially in Organization Development (OD) but also in Organization Behavior (OB). This theory and experience contribute to an enhanced organizational citizenship, which in turn will generate enriched performance in the three citizenships of which Long (1976) wrote.

The HiAdmin/HiCit variant to be sketched below will serve multiple purposes. In brief preview, it will

- reflect values consistent with enriching both organizational and conventional citizenships;
- focus on quite specific organizational policies or procedures as well as behaviors that embody those values;
- discipline itself to considering only policies/procedures and behaviors that meet two tests:
  - they are supported by technologies for application that have increasingly coherent theoretical bases
  - their application is generally associated with high output and high satisfaction in organizations; and
- derive motivational impetus from several elites who face growing pressures to improve public sector performance, if for different reasons.

To provide a bit more detail, PPPM rests on quite-explicit values (e.g., Golembiewski, 1979, Vol. I: 29-132), consistent with the view that “public administration is not a kind of technology but a form of moral endeavor” (Hart, 1984: 116). PPPM inclines toward Model III and the value-loaded features associated with it stated earlier in this article. Critically, this “why” is complemented by a “what” and a “how”; and the “what” and “how” help meet key needs in all management. Of course, usual HiAdmin gives little attention to specific organizational ways and means, lacks a technology for application, and (even if implicitly) usually accepts Model II. Relatedly, PPPM does not require service to abstract (if attractive) ideals. Rather the focus is on doing better what needs doing for both organizations and individuals, by relatively tried-and-true methods that can approach an ideal rather than merely posit one.

How will this article go about being positive and practical? Some of the heavier work appears elsewhere (e.g., Golembiewski, 1977, 1979, 1984, 1985, 1987; Golembiewski and Kiepper, 1988); and more refined and elaborated work constitutes a robust future agenda. Here the focus will be on showing how progress can be made toward energizing multiple levels of democracy in organizations. Applications of these ways and means are legitimated and motivated by organizational outcomes such as heightened productivity and satisfaction overall, as well as by the probable enhancement of the three broadly political citizenships.

#### **SPECIFIC ENERGIZERS OF MULTIPLE LEVELS OF DEMOCRACY IN ORGANIZATIONS**

PPPM's thrust is illustrated by Table 2, which has two basic features. Thus it lists five levels (Dahl, 1975: 67-81) at which democratic or representative behaviors and attitudes might be encouraged. In addition, Table 2 identifies specific ways and means of energizing those several levels of democratic experience, and seeks to provide sufficient detail to suggest how each example can enhance a sense of organizational citizenship. The examples have typically been associated with heightened employee satisfaction and often with increased productivity (e.g., Golembiewski et al., 1981; Nicholas, 1982).

Table 2 cannot do it all, of course, and has three major limitations. It does not provide citations to document its claim that the OB and OD literatures support the usefulness of the approaches listed; the exhibit does not detail features of such approaches; and Table 2 does not identify available designs—a technology-cum-values—suitable for installing such approaches. Even the appropriate bibliography would far outweigh this article.

Voluminous detail alone can develop the specifics of Table 2 then, but three summary emphases carry the present burden. In turn, three emphases deal with job enrichment and purpose-oriented structures; a summary of the classic issues of the linkages of participation, satisfaction, and productivity; and some implications of PPPM for the three conventional citizenships. Respectively, the emphases are on structure, style and process, and spillover effects.

TABLE 2  
**Five Levels of Democratic Experience and  
 OD Designs Capable of Energizing Them**

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| <u>Illustrations of Applicable OD Designs</u>                                                           |                                                                                                                                                                             |
|---------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| o Enhanced individual Freedom and Responsibility                                                        | -- flexible workhours programs, which can increase control over work, commuting, even family life                                                                           |
|                                                                                                         | -- career planning, which can increase a sense of ownership and commitment to goals, permits response to changing stages of life, and so on                                 |
|                                                                                                         | -- "cafeteria benefits," which permit individual choice from among a menu of possible benefits those that suit one's changing condition or stage of life                    |
|                                                                                                         | -- enriched jobs in suitable macro-organizations, which can heighten a sense of control over work and can energize a broad range of individual needs                        |
|                                                                                                         | -- such innovations as job-sharing and "permanent temporaries," which are responsive to a broader range of life-styles than conventional employment                         |
|                                                                                                         | -- resolution of conflict between pairs of individuals, as in third-party designs                                                                                           |
|                                                                                                         | -- other useful designs include a broad range which increase participants' control over their worksite and their lives: e.g., by emphasis on                                |
|                                                                                                         | o value clarification                                                                                                                                                       |
|                                                                                                         | o various approaches to influencing policies or the implementation of downsizing, demotion, or closings at work                                                             |
|                                                                                                         | o personal life-transitions                                                                                                                                                 |
| <hr/>                                                                                                   |                                                                                                                                                                             |
| o Committee Democracy, in which all members have a more or less equal say while in face-to-face contact | -- team-building or sensitivity training with intact work teams, to surface and resolve both instrumental and process issues at work                                        |
|                                                                                                         | -- group decision-making to heighten involvement in, and owning of, policies and goals                                                                                      |
|                                                                                                         | -- Quality Circles focusing on performance and improvement at work level                                                                                                    |
|                                                                                                         | -- autonomous teams, which organize around flows-of-work so as to heighten self-discipline and self-control in many areas -- recruitment, training, compensation, and so on |

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(continued)

TABLE 2 continued

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|                                                                                                                              |                                                                                                                                                                                                                               |
|------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                              | -- inducing appropriate cultures to provide emotional support for change and high performance                                                                                                                                 |
|                                                                                                                              | -- other useful designs include:                                                                                                                                                                                              |
|                                                                                                                              | o role clarification and negotiation                                                                                                                                                                                          |
|                                                                                                                              | o power- and influence-sharing in face-to-face settings, as in "parallel" or "collateral" organizations established for <u>ad hoc</u> purposes                                                                                |
|                                                                                                                              | o resolution of individual and group conflict                                                                                                                                                                                 |
|                                                                                                                              | o goal-setting designs                                                                                                                                                                                                        |
| <hr/>                                                                                                                        |                                                                                                                                                                                                                               |
| o Referendum Democracy, in which all viewpoints get represented although individuals do not necessarily speak out themselves | -- various designs toward self-correcting cultures that seek to build norms/skills relevant to inducing valid and reliable data -- e.g., self-forcing, self-enforcing large sub-systems (e.g., plants or offices)             |
|                                                                                                                              | -- interview/feedback, followed by a "cascade" of action-planning                                                                                                                                                             |
|                                                                                                                              | -- survey/feedback, followed by a "cascade" of action-planning                                                                                                                                                                |
|                                                                                                                              | -- group confrontations, as between organizational authorities and employees, between units involved in a common flow of work, or between clients and service-providers or suppliers                                          |
| <hr/>                                                                                                                        |                                                                                                                                                                                                                               |
| o Representative Democracy, in which some small selected group speaks out for a larger collectivity                          | -- group decision-making by representatives -- in policy-making, or associated with latitude concerning ways of implementing policies                                                                                         |
|                                                                                                                              | -- joint labor/management committees (e.g., in an office) that seek to improve the quality of working life, as by planning changes in interpersonal and technostuctural processes, often using survey methods to assess needs |
|                                                                                                                              | -- sensing groups for problem identification                                                                                                                                                                                  |
|                                                                                                                              | -- some forms of "collateral organizations" that provide alternative vehicles for reinforcing opinions and exerting influence                                                                                                 |

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TABLE 2 continued

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|  |                                      |
|--|--------------------------------------|
|  | -- other useful designs include:     |
|  | o role clarification and negotiation |
|  | o value clarification                |
|  | o goal-setting designs               |

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|                                                                                                                                                       |                                                                                                                                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| o Polyarchical Democracy, which includes the forms above and also provides roles for diverse interest groups and for complex delegations of authority | -- large agenda- and norm-setting meetings with diverse participants from various levels of one or more organizations, or nation states, often using survey methods to assess needs                                                                                     |
|                                                                                                                                                       | -- conflict resolution between representatives of nation-states, as between officials of Israel and Egypt at Camp David                                                                                                                                                 |
|                                                                                                                                                       | -- enhancing complex forms of labor/management interaction at multiple levels, focusing on quality of working life as well as pay-and-fringes                                                                                                                           |
|                                                                                                                                                       | -- experiments with macro-problems: e.g., territorial disputes in Africa, conflict resolution between Jew and Arab in Israel or Catholic and Protestant in Ireland                                                                                                      |
|                                                                                                                                                       | -- compensation systems that serve to reward collaborative effort                                                                                                                                                                                                       |
|                                                                                                                                                       | -- inducing appropriate cultures in large systems, or systems of systems                                                                                                                                                                                                |
|                                                                                                                                                       | -- other useful designs include:                                                                                                                                                                                                                                        |
|                                                                                                                                                       | o structural variants like the matrix, purpose-oriented departmentation, or federal models, which can facilitate influence-sharing and the development of shared interests                                                                                              |
|                                                                                                                                                       | o collateral or parallel organizations, which provide alternatives to the conventional structuring of work -- for both policy-making and especially decisions about implementation                                                                                      |
|                                                                                                                                                       | o autonomous team structures which give work-unit members wide discretion in managing their worksite                                                                                                                                                                    |
|                                                                                                                                                       | o presentations to various levels of management review so as to share influence and involvement in decision-making, e.g., by members of Quality Circles making recommendation for performance improvements, so as to share influence and involvement in decision-making |

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## JOB ENLARGEMENT/PURPOSE-ORIENTATION: STRUCTURE

Job enlargement and purpose-oriented structures focus on different levels of organization—workaday and executive levels, respectively—but they share empirical and value features that contrast sharply with bureaucratic structures. To illustrate:

| <i>Bureaucratic structures</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <i>Job enrichment/<br/>purpose-oriented structures</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• focus on parts of work</li> <li>• have a rational/technical preoccupation</li> <li>• encourage authoritarian styles of management</li> <li>• centralize decision-making</li> <li>• distance employees from their work and its consequences</li> <li>• imply pessimistic view of people and their behavior</li> <li>• emphasize loyalty and obedience to others</li> <li>• assume a narrow range of abilities and skills</li> <li>• monopolize authority and power</li> </ul> | <ul style="list-style-type: none"> <li>• focus on related flows of work</li> <li>• add social and psychological features to rational/technical issues</li> <li>• permit supportive or democratic styles of supervision</li> <li>• share or decentralize decision-making</li> <li>• encourage and even require employee involvement in, and psychological ownership of, work and its consequences</li> <li>• imply broad optimism about people and their behavior</li> <li>• encourage commitment, involvement, and self-control</li> <li>• seek to broaden the range of abilities and skills</li> <li>• share authority and power</li> </ul> |

At workaday levels (e.g., Golembiewski, 1985: 179-185) as well as at upper levels of organization (e.g., Golembiewski, 1987, 1979, Vol. II: 61-69), job enrichment, and purpose-oriented organization have much to recommend them. The effects on productivity and satisfaction will be emphasized immediately, and later attention goes to the growing evidence that alternative forms of work can have profound implications for the political and social realms.

## MAJOR COVARIANTS OF PARTICIPATION: STYLE AND PROCESS

PPPM involves enhancing responsible freedom at work, as is illustrated by the examples in Table 2 as well as by the movement from bureaucratic → purpose-oriented structures. The associated process has been variously described—high involvement, high energy-levels, motivated, and so on—and the common vehicle is “participation.”

The quotation marks above are appropriate, because participation comes in many forms. Students conventionally distinguish three intensities, for example: total participation, bounded participation, and pseudo-participation. Table 2 focuses on designs for bounded participation, intentionally, but even that range is variegated. Thus “bounded participation” might come in these forms, among many others, that can be applied in today’s public organizations with general profit to employees and their organizations: making a specific decision; action-planning with survey data so as to reconfigure an immediate worksetting; making daily decisions about when to begin/end each workday, as under a flexible workhour program; and membership on an autonomous team that may be self-monitoring in recruitment, training, and compensation.

Much debate has ebbed and flowed concerning the consequences of participation, with a focus on satisfaction and productivity, but the evidence is coming to an increasingly fine point. Participation has a strong positive association with satisfaction, in sum, and high degrees of both tend to be substantially associated with high productivity. There *was* real reason for the classic debate, because studies exist that show many possible patterns of association: positive and substantial, middling or inconclusive, and even negative. But science is cumulative and, especially in the absence of an ability to detail intervening and moderating variables, diverse results are to be expected and appropriate judgments must be made about significant central tendencies in that variability.

Recently, powerful statistical tools such as meta-analysis (e.g., Hunter et al., 1982) have been developed to help in making rigorous and reliable judgments about the central tendencies implied by similarly designed studies and, on balance, they support the emphasis on “participation.” The

conclusions of one meta-analysis of 66 studies deserve quotation at some length (Miller and Monge, 1986: 748):

Participation has an effect on both satisfaction and productivity, and its effect on satisfaction is somewhat stronger than its effect on productivity. We can now make quite precise statements about the magnitude of the effect of participation. . . . [Moreover,] there is evidence that participative climate has a more substantial effect on workers' satisfaction than participation in specific decisions.

Support seems especially strong for OD's basic prescription for building an appropriate socioemotional infrastructure—a climate or culture based on supportive values and relationships, as reflected in the normative bases of “regenerative interaction” (Golembiewski, 1979, Vol. I: 8-72). The rationale for inducing such a climate or culture is transparent. Absent such a culture or climate, employees may interpret even sincere efforts at bounded participation as being pseudo-participation, and neither high satisfaction nor high productivity will be likely.

### THREE CITIZENSHIPS: SPILLOVER EFFECTS

Growing evidence supports what common sense implies: Approaches such as those in Table 2 seem to have significant spillover effects that enhance the three broadly political citizenships. In sum, efforts to energize organizational citizenship require—and permit experience with—attitudes and behaviors that also are appropriate in the three citizenship arenas. In this sense, in present terms HiAdmin not only sits comfortably with HiCit, but contributes to it.

The conceptual case for this pairing has long been made, and stoutly. For example, Verba (1961) emphasized the relevance of various small group experiences for political performance. Practice with participation in the family, he proposed, would raise the probability that appropriate attitudes and behavioral skills would be available for guiding macropolitical involvement. Relatedly, proponents of “industrial democracy” saw similar interaction between work and political settings, but such work was more philosophical than empirical (e.g., Pateman, 1970). More recently, careful observers began assembling empirical cases in point from a range of perspectives (e.g., Bernstein, 1980; Greenberg, 1986; Nightingale, 1982; Tichy, 1983).



Detailed scientific work is only now beginning to accumulate in significant volume (e.g., Woodman et al., 1985), but results support the HiCit/HiAdmin position—certainly in broad outline, and often in particulars. Consider only three variables:

- *personal potency*, or the degree to which one feels powerless and controlled by fate or luck
- *political efficacy*, which measures one's attitude to being able to influence government and that seems to covary with the degree of political participation by individuals
- *social participation*, which relates to the degree that individuals involve themselves in various discretionary-time organizations—that is, those oriented to community, service, and so on

Readers can easily establish the triune relevance of these variables for present purposes. The several designs in Table 2 variously heighten such variables, as general reflection suggests and available research documents (e.g., Bernstein, 1980). Relatedly, the heightening of these variables seem appropriate for HiCit as well as for HiAdmin. Significantly, the three variables also seem adversely influenced by Model II and bureaucratic principles.

Accumulating research isolates the expected associations in general. Thus Elden (1977) concludes that “empirically there appears to be a political dimension to everyday worklife.” Specifically, routinized jobs and functionally specialized structures have autocratic characteristics, and these influence not only at work but also far beyond it. Specifically, organization members can learn some awkward lessons from bureaucratic structures, and those powerful learnings may be transferred to feelings about personal potency, political efficacy, and social participation in broader social/political spheres. As Elden (1977: 18) summarizes his program of empirical research:

Democratized authority structures are likely to benefit individual workers (more work satisfaction, personal development and skills acquisition); their organization (increased identification and contribution as reflected for example in better quality, less absenteeism and turnover); and their social class or society as a whole (increased political resources more widely diffused, and decreased alienation). . . . In other words, [having] some power over one's work co-varies with one's attitudes toward taking up participative opportunities.

Although the crucial study has not yet been performed about the effects of differences in organization citizenship on performance in political citizenship roles, Greenberg (1986) perhaps comes closest to what is required. Basically, he compares one form of enriched organizational citizenship with conventional membership, and focuses on four arenas: voting, campaign activity, community involvement, and attendance at government meetings. Comparisons of mean scores at one point in time, as well as between scores over time, substantially support this proposition: Enriched organizational citizenship is associated with more active (and desirable, I judge) behavior in macrocitizenship roles. Specifically, 8 of the 12 comparisons involve differences that attain usually accepted levels of statistical significance (Greenberg, 1986: 122-128). As expected, in addition, Greenberg (1986: 92-93) presents evidence affirming the greater attractions to members of enriched organization citizenship.

### IN-PROCESS CONCLUSION

So PPPM has been illustrated, as a bare summary will highlight. In a few words, HiAdmin is viewed here as inducing those cultural and worksite features that permit heightening experience with values and behavioral skills appropriate for HiCit. Frustration of such values and skill development at work may precipitate some into political activity, of course, but relying on frustration is a tricky business and is not easily reconcilable with political democracy.

The HiAdmin → HiCit linkage is at least convenient, and the priority may *not* be reversible. In short, public agencies—under the goads of constricting resource bases and burgeoning needs/demands—face strong and constant pressures to enhance productivity while maintaining reasonable levels of satisfaction. These pressures provide motivation for HiAdmin, as here defined, and its management approaches imply values and behaviors consistent with HiCit. This is the essence of the present demonstration or—better said—illustration.

Two other points provide context for this illustration. The first deals with the potential clash between HiAdmin and popular sovereignty; the second deals with today's opportunities to move toward PPPM's vision of HiAdmin.

### PPPM DOES NOT JEOPARDIZE POPULAR SOVEREIGNTY

HiAdmin variants often are seen as challenging "deeply ingrained democratic traditions," but PPPM seems less vulnerable to such a charge on three grounds. Paramountly, first, the approach builds on and extends "deeply ingrained democratic traditions" by enriching levels of democratic consciousness and experience in organizations, with a probable spillover into political and social life.

Second, broader public sector adoption of Table 2 approaches will be reinforced by similar and ongoing adoptions in business, both of which have a common rationale. Doing more with less is a growing need in all organizations, so heightened satisfaction and productivity increasingly must come from intrinsic motivators such as those underlying Table 2, or they seem likely not to come at all. Relatedly, PPPM contributes a working answer for the increasingly troubling question: By whose warrant do you manage? In this present view, the working answer is: One manages legitimately to the degree that one helps to install and maintain structures, policies, and procedures that serve HiCit values while they contribute to high productivity and high participant satisfaction.

Hence the real but limited applicability of the standard of proof proposed by one reader: "Au[thor] has to show that public servants will use their new-won autonomy and discretion to extend that democracy to other citizens, in actions both on and off the job." This standard seems a useful one, but it has multiple myopias. It focuses only on public sector employees, who are often in a catch-up situation with respect to business adoptions of Table 2 approaches. Moreover, PPPM takes the approach that popular sovereignty will not be aided by failure to do more with less, faster and faster. In short, PPPM seeks to avoid the tragedy of jeopardizing public sovereignty by insisting on it.

Third, PPPM's view of HiAdmin calls for "bounded participation" rather than global alternatives to popular sovereignty such as corporate statism or "worker's ownership." PPPM is no finished product, but it already has substantial shape and form that address critical issues, and with little risk, based on developing theory plus experience relevant to heightening productivity and satisfaction. So the risks are modest compared to those of HiAdmin viewed (for example) as "social equity." We have evidence that organizational change poses significant challenges (e.g., Warwick, 1975), although it can be managed (e.g., Golembiewski and Kiepper, 1988).

# **TODAY'S OPPORTUNITIES FOR MOVING TOWARD HIGH ADMINISTRATION**

Finally, is not HiAdmin/HiCit just so much romanticism? The position has been a common bottom line for many, and not only for those who espouse LoAdmin because it implies weak government that special interests can dominate.

Consider some of today's major motivations for moving toward PPPM. They are listed in no particular order, and seek to expand on earlier lists of opportunities for constructive change in our approaches to governance (e.g., Smith, 1976: esp. 310-315).

- (1) Related applications are increasing in business and voluntary sectors, and with substantial success rates (e.g., Golembiewski et al., 1981).
- (2) Public sector experience with applications such as those illustrated in Table 2 has been substantial, and seems to be growing (e.g., Stupak and Moore, 1987). Success rates comparable to those in business have been reported (Golembiewski et al., 1981).
- (3) Major changes in the composition of the federal senior civil service are in their final stages—due to retirement, both planned and early. Similar changes are in the cards for state and then local governments, within the next decade or two.
- (4) The “new employees,” and especially the burgeoning cadres of “knowledge workers,” seem to be severely challenging conventional bureaucratic approaches and structures. This occurs both because of sharp conflicts with the life styles of the new elites, and also because of the heightened education of many of the “new employees” that often emphasizes the techniques and values underlying Table 2. Broadly, work requires more of growing proportions of employees, and work consequently must contribute more to employees.
- (5) Surveys typically report substantially greater dissatisfaction with public work and careers. This dissatisfaction may fuel major changes consistent with Table 2.
- (6) The pressure on government to get more results for constant or diminishing dollars will not only continue, but probably will accelerate. Work must become less need-depriving, consequently, or satisfaction will plummet from already low levels.
- (7) We need new counterbalances to bureaucratic inertia, defensiveness, repression of differences, and “clientelism” or obeisance to narrow interests. Conventional hierarchies may keep sovereignty safe from public employees, but they can do much else besides—as is amply documented both by our need for whistle-blowers as well as by the often-savage treatment they receive, by the tragedy to the NASA shuttle, and so on.

- (8) PPPM takes an incremental approach to change, which reduces its threat to policymakers. The association of specific changes with enhanced satisfaction and especially productivity should increase the attractiveness of the risk taking.
- (9) Despite a slow start in this critical matter, labor unions and managements have had substantial recent experience with entering into collaborative efforts to apply approaches such as those in Table 2.
- (10) A growing number of political executives—for example, presidents and governors—are bringing a heightened managerial consciousness to their elective or appointed roles. This consciousness can be expressed either in punitive ways, or in proactive efforts toward system renewal and excellence.
- (11) Large cadres have been trained in the techniques and values reflected in Table 2. The U.S. Army trained many hundreds of officers (usually majors or colonels) in survey/feedback and consultation skills, for example. This contrasts sharply with the high-demand/low-supply condition of a decade or more ago, with many skilled OD interveners priced out of the range of many or all public agencies.
- (12) Some may question the applicability of Table 2 during periods of cutback and down-sizing. To be sure, periods of growth and economic prosperity may be better times for change; and applications of Table 2 approaches on occasion are entered into with explicit guarantees that no one will lose a job although changes in jobs may be necessary.

Nonetheless, the evidence does not support the basic concern. If anything, applications have increased along with hard times, and success rates do not appear appreciably lower (e.g., Stupak and Moore, 1987).

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# ORGANIZATIONAL CITIZENSHIP —A PROBLEMATIC METAPHOR *Comment on Golembiewski*

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**The aim of Golembiewski's article**, as I see it, is to advocate the use of research results in Organization Behavior and Organizational Development (OB and OD) to make organizations, especially public ones, more participatory. Nearly 20 years after Pateman's (1970) classic argument along the same lines, Golembiewski's discussion can now point to a wealth of empirical evidence to support (a) the influence of democracy at work on the development of individual skills supporting the practice of political democracy, which was Pateman's interest; as well as (b) the feasibility of participatory management in organizational terms (something Pateman was less, perhaps insufficiently, worried about). Fans of participatory democracy can be grateful for this significant and growing body of research, to which Golembiewski has been a major contributor.

What seems to me to be the new twist to this message is the conceptualization of participation in management as "organizational citizenship." I want to take issue with this new twist, rather than with the aim it serves. In my view, while participation in management is good for organization members, and may be good for society as a whole, organizational citizenship is a problematic metaphor. In fact, I want to argue, while Golembiewski's aim is commendable, if the idea of organizational citizenship were to become common coin, it could end up doing more harm than good.

In brief, my argument is that the idea of organizational citizenship weakens real—that is, political—citizenship because it undermines the distinction between management and governance. Management is a generic functional skill involving direction or control of human and material resources for specific purposes. Governance—in this case, public admin-



istration—is binding activity of, or on behalf of, a state in the exercise of its powers and duties, and for the good of the whole. Certainly public management is an instrument of governance. Many public administrators manage scarce resources and each other, and in so doing, share in governing the polity. But to the extent that public managers are also citizens, and they surely are, it is because the goals of public organizations, and the decisions made in aid of them, serve a larger purpose, that is, the good of the whole. Managerial success or excellence depends on achieving organizational goals, such as efficiency and productivity. Political excellence consists in the exercise of virtue, which may have little or nothing to do with organizational success.

Let me try to say how I think Golembiewski's argument blurs this crucial distinction. A small but significant warning sign appears in the second paragraph, where the "fourth crucial but neglected class of citizenship" is defined as including employees in "our several public and business organizations." If private sector employees are included, then organizational citizenship must lie in organizational membership and not in some special responsibility or authority that inheres in *public service*. By the time we get through Golembiewski's discussion of three models of the relationship between citizenship and administration, the conflation is clear: his argument is ostensibly about public administration but in reality it is about management.

Perhaps a more in-depth consideration of Golembiewski's Model I will make the point. Here, relying on and I think somewhat skewing McSwain's (1985) discussion of it, Golembiewski interprets Athenian citizenship as coequal with administration. Only in a very limited way—not the one he intends—is this correct: That is, in the sense in which "Administration" means "the dispensing, applying or tendering of something." The distinction I am trying to make may be clear if I give three different translations of a crucial phrase in which Aristotle's *The Politics* defines citizenship. The Barker (1980) translation is: "shares in the administration of justice and in the holding of office." The Sinclair (1981) translation reads: "participation in giving judgment and in holding office." Ricoeur's (1984) "The Political Paradox" offers: "has the power to take part in deliberative or judicial administration by the State."

Thus to suggest, as Golembiewski does in quoting McSwain, that Athenian citizenship and administration were "one and the same" is misleading. It is true only in the sense of administration as the dispensing of political justice (deciding what is right to do given the circumstances). That McSwain recognizes the difference between this interpretation of

administration and the modern connotation, in which administration has come to imply something very close to management, is clear because of her expressed concerns for the collective authority and common purpose dimensions of ancient citizenship and for the danger of sublimating the political under the administrative (McSwain, 1985: 135, 139, 141).

In ancient Athens, the mode of administration that Golembiewski equates with "public management" was rudimentary to the modern eye, first of all; and second, it was performed largely by noncitizens: that is, by slaves. According to Finley (1983: 74-76), although there were hundreds of "officials" selected by lot and restricted to a single-year term, such as members of the Council of 500, "there was no government in the sense of an appointed or elected group of men formally entrusted with the right or the duty to make policy proposals to the Assembly. . . . [The Council], occupied though it was with the whole range of administration as well as with preparing legislation, was not a 'government' in our sense." As Chandler (1984: 199) points out, there were a few permanent and competent executives; but there were only a few, because ancient Athens "did not need to be efficient. There were no public lands to oversee, no agricultural empire to regulate, and no social welfare system to administer." Day-to-day public activity—teaching, accounting, policing, working in the mint and in the prison—was carried on by slaves. Thus to say that citizenship was one with administration, *in the sense of managing human and material resources*, is simply wrong. The defining characteristic of ancient citizenship was participation in governance—in making binding decisions for the common good.

Since I do not for a moment think that Golembiewski intends for his discussion to mislead anyone, I conclude that he has, in a sense, deliberately planted his flag on the low ground: He means for us to think of public administration as management. But if public administration is nothing more than management, then public administrators cannot be citizens. Public administrators *are* citizens in the high (Athenian) sense because they share in governance of the state, not because they manage. "High Administration" is not "High Citizenship" because it is proactive, but because it is so for a public purpose and with public accountability.

Why is participation in management per se not a form of citizenship, and why is this distinction important? Golembiewski refers to Sheldon Wolin's view of citizenship, so let us consider what Wolin (1960: 352-434) had to say on this matter in the last chapter of the same work that Golembiewski cites. Wolin is concerned with separating the organizational from the political precisely in order to preserve the uniqueness of

citizenship as a form of life. Wolin's position is that the human being is a *zoon politikon* (political animal)—a being whose essential nature is fulfilled only in deliberative association aimed at the good of the whole. The fullest expression of our humanity comes to us through the body politic, an entity constituted by and making possible the art of politics, or deliberation from different perspectives about common aims. To borrow again from Ricoeur (1984: 254), that which binds people together in a polity is not engendered by economic—or organizational—dialectics.

Given the special character of political association, Wolin argues, it is misguided to conceive of organizations as polities (Philip Selznick's *Leadership in Administration* is his target of choice, but only illustratively). The nature of organization is to satisfy its needs *qua* organization and to perpetuate itself, and modern organization is inherently and inevitably run by an elite. Thus Wolin says, and Golembiewski's article supports it, the modern question is "How much democracy can organization endure?—never the reverse." In the framework that Wolin attacks, democracy is an instrument, not a good in itself. If an organizational elite shares power with other members, it will be because organizational needs require it, and only to that extent (for example, in order to secure members' "commitment" to institutional goals). That Golembiewski feels constrained to defend participation in management on organizational terms—that is, whether it can be reconciled with, perhaps even promote, considerations such as productivity—proves the point: Organizational citizenship is an organizational, not a political, phenomenon. (I recognize the pragmatism of Golembiewski's position here; I just do not think we should call what he wants to advocate "citizenship.")

From a number of perspectives, Wolin's position is extreme, in that one could read him to imply that economic and organizational considerations have no impact on people's ability to practice democratic citizenship. I do not mean to suggest that I take this position—far from it. In my view, people's economic circumstances can make access to and participation in governance risky or downright impossible, and the way that public organizations are configured and managed can be *more* or *less* supportive of active (high) citizenship, both for public administrators and for the citizenry at large (Stivers, 1988, forthcoming). As Smith (1984: 456) has argued, internal democracy in public agencies can increase the external responsiveness and accountability of administrative actions and thus "fill in the gaps" where external political controls fail to reach. By giving public administrators the moral right to decide within certain external constraints, their moral responsibility for results is strengthened. But to

the extent that the exercise of such responsibility is to be conceived of as governance, both intentions and results must be judged on political rather than organizational grounds.

Golembiewski asserts that "positive and practical public administration does not jeopardize popular sovereignty and arguably supports it" and that High Administration has "spillover" effects that foster High Citizenship values, attitudes, and behaviors. But his argument is significantly bounded. Not jeopardizing—even supporting—popular sovereignty is not the same thing as promoting High Citizenship, since in terms of citizens' practice the former has come to mean simply voting for one's leaders, nor is fostering High Citizenship values, attitudes, and behaviors among public employees the same thing as fostering participatory democracy—the political kind. Encouraging members of public organizations to develop citizenship skills leaves unanswered the question of how similar skills are to be developed in others, let alone practiced by anyone outside the context of public employment. I do not suggest that Golembiewski means for his argument to stand or fall on whether participatory management fosters generalized High Citizenship. It does strike me, however, that failure to make a distinction between the two begs the questions of the political relationship between public organization members and the general public. For example, one could envision a situation in which a public agency was internally fully participatory—say, in which all decisions were arrived at by deliberation to consensus on the part of the entire membership—but in which the decision arrived at levied extremely autocratic requirements on the citizens at large, or served purely organizational-instrumental ends rather than the public interest.

Therefore, while I agree with Golembiewski that internal decision processes in public organizations should be more participatory, I think organizational citizenship is a problematic metaphor for the employee role in a participatory public organization, for the same reasons that Wolin views "polity" as a mistaken metaphor for "organization." As Morgan (1980) points out, to see that organization theories are metaphors is to see that they are based upon a partial truth, in which selected aspects of two similar but not identical phenomena are emphasized and others suppressed. The metaphor "organization-as-political system," of which organizational citizenship is a derivative, emphasizes the power and conflict dimensions of organizational life, and I would be the last to deny the truth of this observation. Perhaps though, when we borrow from one realm to vivify another, we do not pay sufficient attention to the resulting effect on the realm borrowed *from*.

Political citizenship is a thin enough form of life in modern day America. We can ill afford to rob it of what little operational significance it has by applying it in contexts where its unique meaning is further attenuated. I am all for the idea that public administrators are High Citizens. I just want to urge that they, and the rest of us, do not lose sight of what it is that makes them so.

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*Theories and less formal explanations have been used to account for the destruction of the space shuttle Challenger on January 28, 1986. The accounts typically conclude that the accident was the predictable outcome of technological deficiencies, organizational problems, and human error. Yet such appeals to the inevitability of the shuttle accident do not explain why it was the Challenger flight, and not earlier ones, that failed. An organization's "zone of acceptance," first discussed in the work of Barnard, Simon, and Thompson, is developed further as the analytic framework in which to answer this more specific question.*

## **THE ZONE OF ACCEPTANCE IN ORGANIZATION THEORY**

### *An Explanation of the Challenger Accident*

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**One of the more venerable concepts** in organization theory is the zone of acceptance, or as it is sometimes termed, the zone of indifference. The notion has evolved through the seminal works of Barnard (1968), Simon (1976), and Thompson (1967) and has been used on occasion to describe actual behavior in specific organizations (e.g., see Wildavsky, 1986: 36). Less common in the literature are its applications to the analysis of important policy problems rooted in matters of what is or is not "acceptable" organizational behavior. This article provides such an application and, in doing so, develops the concept further.

On January 28, 1986, the space shuttle *Challenger* disintegrated a little over a minute after launch from Kennedy Space Center in Florida. Some four months later, the Presidential Commission on the Space Shuttle *Challenger* Accident issued its findings (hereafter called the "Rogers Report," after its chairman, William P. Rogers). Much of the Report is

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devoted to identifying what it considers to be the myriad technical, organizational, and individual decision-making factors that led to the accident. This article argues that (1) the multiple explanations proposed by the Rogers Report are inadequate, given the information provided in the Report, and (2) the extended notion of an organizational zone of acceptance allows us to reanalyze this information and understand the accident in a more straightforward fashion. By identifying several stress points within an organizationwide zone of acceptance, we are able to be more precise about the causes of the accident and to explain some of the more anomalous findings of the Rogers Report, such as why it was Mission 51-L and not earlier flights that failed.

### THE MULTIPLE EXPLANATIONS OF THE PRESIDENTIAL COMMISSION

After reading the Rogers Report, one is tempted to ask: What *did not* cause the *Challenger* accident? The Report's widening gyre of fault and causality is summarized by its chapter headings; titles include "The Cause of the Accident," "The Contributing Cause of the Accident," "Pressures on the System," and "An Accident Rooted in History." In effect, the Report posits not one, but three interrelated explanations, namely, the launch failed because of a host of direct and indirect factors based in technology, individuals, and organizations.

The direct immediate cause of the accident, in the Report's view, was technical in nature. A failure in one of the seals in the booster rocket motor was due, as the Report puts it, to a design that was "unacceptably sensitive to a number of factors" that were also technical in origin, including the effects of temperature on the seal, physical dimensions of the O-rings, and the reaction of the joint to vibration during launch (Presidential Commission, 1986: 72). Moreover, human error added to these problems of technology. The Rogers Report does try to avoid reducing the accident to individual fault and culpability. Nevertheless, specific decision makers made "unacceptable" decisions that the Commission considered contributory to the accident (Presidential Commission, 1986: 85, 154, 104; see also pp. 88, 101, 181). Particularly noteworthy in the Report's view was a decision at a January 27 meeting by the management of the booster motor's contractor, Morton Thiokol, to overrule its engineers' recommendation not to launch (Presidential Commission, 1986: 84, 104 ff.).

Finally, the Rogers Commission identifies numerous organizational problems that in its opinion contributed to the accident. The Report's organizational critique specifically points to a "serious flaw in the decision making process" within NASA's Readiness Reviews that preceded the *Challenger* launch (Presidential Commission, 1986: 104, 82). Since this article differs most markedly with the Rogers Report on just where this organizational "flaw" was located, it is important that the reader understand the nature of what was procedurally NASA's and its contractors' final review of all aspects of flight preparation prior to any given shuttle launch.

The review process culminated in the Level I Flight Readiness Review, held some two weeks prior to a launch. This Review was a high-level conference chaired by a senior NASA official and supported by headquarters staff, center directors, and project managers from Johnson, Marshall, and Kennedy space centers, along with contractor representatives. The review process started at the lower reaches of the NASA hierarchy where Level IV contractors, such as Thiokol, formally certified the flight readiness of the elements and components for which they were responsible. Level III NASA project managers and staff at the three space centers made this certification on behalf of NASA. The process then moved upwards in the NASA hierarchy to its next stage, the Certification of Flight Readiness by the Level II Program Manager at Johnson Space Center, where each program element endorsed that it had satisfactorily completed the manufacture, assembly, test, and checkout of the pertinent element, including the contractors' certification that design and performance was up to standard. Thereafter the process proceeded to the Level I Review (Presidential Commission, 1986: 13, 82-83).

While all levels come under some kind of criticism by the Rogers Commission, its Report pinpoints the flaw to be the critical "failures in communications" among Level III and those above. The Commission found that Level III NASA personnel failed to communicate to Level I and II managers the concerns that the Level IV Thiokol engineers had about the effects of cold temperatures and erosion on the O-ring seals (Presidential Commission, 1986: 84; for criticisms of Levels IV, II, and I, see pp. 104, 154, 148). The following reanalysis argues that the critical failures in communication were located elsewhere.

The Report also pointed to a host of other organizational problems that were said to have contributed to the final accident, including, among others, the shuttle's premature shift from a research and development phase to an "operational" one; specific cost-cutting measures, particularly



in the areas of shuttle design, materials, and safety personnel; review and scheduling problems; lapses in departmental reporting, waiver, and critical component classification systems; incorrectly placed units within the NASA hierarchy; NASA's "can-do" attitude in believing that it could solve difficult problems as and when they arose; insufficient data analysis by several units; demise of a crucial NASA safety panel; ambiguous recommendations from contractors; NASA pressure on contractors; lack of budgetary oversight by key NASA personnel; ambiguous or absent launching criteria; unacceptable dilution of flight safety standards; and management/engineer role ambiguity (Presidential Commission, 1986: 164, 170; 2-5, 161; 174-175; 161, 104, 125; 161; 171; 89-92, 155; 161; 114; 104; 102-103; 95-103; 148; 93-94).

### WHAT IS WRONG WITH THESE EXPLANATIONS AND WHERE DO WE GO FROM HERE?

Taken as a whole, the Rogers Report gives the impression of a mutually reinforcing combination of technological, individual, and organizational factors that all but ensured that the events on January 28 had to happen. Thus it is not surprising to have found newspaper headlines blurring out "Challenger Panel's Findings Show Shuttle Disaster Was Inevitable," whereunder the Report is said to have described an accident that was "a disaster waiting to happen" (*New York Times*, June 15, 1986). In this view, there were so many things wrong throughout the entire system that it was a miracle the accident did not occur earlier.

But is that view correct? Surely, the conditional probability of having in place all those specific technical, organizational, and decision-maker factors needed to cause the failure of Mission 51-L on that date, January 28, was remote rather than overwhelming. Moreover, many of the contributing factors and malfunctions were present in prior flights. For example, a number of the shuttle missions took place under a cloud of O-ring problems, that is, the O-rings had been classified as having no backup seals for 19 of the 24 prior shuttle flights, while of the 15 flights preceding 51-L, 11 had shown some kind of O-ring erosion in the booster (Presidential Commission, 1986: 129-131, 5-6, 127).

Yet, then again, look at how ambiguous such basic information is. From another view, it undermines the impression of inevitable failure. One wonders how many of the members of what was eventually the Rogers Commission would, if shown the preceding figures on January 27, have

said "A disaster is imminent!" versus "See, more and more experience shows the O-rings to be less of a problem than we once thought!"—a difference in viewpoints that was in fact present among NASA officials and contractor personnel.

There are more anomalies. What is the reader to conclude when the Rogers Report, having faulted Thiokol management for not accepting their engineers' recommendation of no launch below 53°F, goes on to find that "O-ring distress is increased to almost a certainty if the temperature of the joint is *less than 65[°F]*" (Presidential Commission, 1986: 145, 90, 140; my italics)? Similarly, the Level II NASA administrator, who intimated he would have accepted a Level IV Thiokol recommendation not to launch had he known about it beforehand, is recorded as having been told by two representatives from another of the shuttle's contractors that they did not consider it safe to launch on that day either (Presidential Commission, 1986: 101-102, 114-117). The Report's decision to make one of its major recommendations that this Level II administrator be given more authority and responsibility for future shuttle activities rings a bit arbitrary, as does the Report's singling out for special criticism Level III's communication with those above it, particularly as the Report argues that many things were problematic and in need of correction throughout all levels in NASA. Why finger one culprit, when, like *Murder on the Orient Express*, we end up being told everyone did it?

The Rogers Report is not alone in such conclusions. The coupling of fault finding and inevitability has fast become the central theme of other *Challenger* accounts. "The Challenger explosion . . . was the inevitable result of bureaucratic compromise, blind ambition, and power games at the highest levels of government and industry" or so tells us the publication blurb of one of the more recent books on the accident (*New York Times Book Review*, January 25, 1987: 25; see also Trento and Trento, 1987). Nor does malevolence and ineptitude need to be present in order to always find fault and jeopardy: If one is inclined to Tom Wolfe's (1985: 156) right-stuff argument, then the seven astronauts died because of the risk taking that is an essential part of being an astronaut—putting one's life on the line in a test of skill where death must always be a very real possibility.

Some social scientists also find space accidents the predictable outcome of technology, organizations, and/or individuals. The sociologist Charles Perrow (1984: 5, 258-281) has argued that NASA space technology exhibits what he calls interactive complexity and tight coupling, which when acting in tandem make such accidents "inevitable." Romzek and Dubnick also point to more NASA failures on the horizon. According

to their study of the *Challenger* accident, "NASA no longer enjoys a nurturing institutional context" characteristic of its most successful period: Making decisions on the basis of technical expertise has inexorably given way to disabling political, bureaucratic, and legal considerations, and many of the major postaccident reforms proposed for NASA would further accelerate that shift. They conclude: "If this assessment of the role of institutional factors in the success and failure of NASA's programs is correct, then the proposals for reform increase the chances of other failures" (Romzek and Dubnick, 1987: 236).

Yet appeals to the inevitability of a shuttle accident do not explain *why it was Mission 51-L that failed and not earlier flights*. Indeed, even if one granted that a space mission accident was fated, such an argument in no way rules out the possibility that it was a set of isolated and "freak" happenstances that caused the specific disaster on January 28. "If we wait long enough, things will get worse and something bad is bound to happen" is undoubtedly correct, but it leaves something to be desired analytically.

The Rogers Report is clearly not the final word in data gathering and a great deal of further research will be necessary before a thoroughgoing explanation of the accident is possible.<sup>1</sup> In lieu of such a comprehensive explanation, this article has a more modest, short-run goal. The contention here is that the Rogers Report's own data are the basis for a markedly different explanation of the accident than that provided by the Report itself. Our aim is to parse this information in a way that the Rogers Commission chose not to, namely, through organization theory. We can be much more specific than the Rogers Report in identifying what caused the *Challenger* accident, and in the process we will be in a better position to evaluate the merits of those other organization theories that posit the inevitability of accidents such as that of the *Challenger*. Our starting point is the Report's recurring theme that the events leading up to the explosion centered on NASA's problem of determining what were or were not "acceptable standards"—technological, organizational, or personal—within and between its levels.

Organization theory is of course many theories, but when the issue of what is "acceptable or unacceptable" in an organization is raised by theorists, the notion of a "zone of acceptance" comes readily to mind—though not without some clear reservations. This zone has been defined as a relationship between superior and subordinate, where there are as many different zones in a complex organization such as NASA as there are superiors and subordinates interacting there. The argument here is that when the zone of acceptance is reconceived less as member-specific and

more as organizationwide in nature and shared in common by most or all organizational members, then this modified framework allows us to explain better more widespread organizational lapses in acceptability, such as those found by the Rogers Commission to be present in NASA prior to the *Challenger* accident. The principal features of an expanded organizational zone of acceptance help explain those already-mentioned anomalies of the Report and provide the basis for a more concise and coherent rendering of why it was Mission 51-L and not preceding flights that failed and how this came to be. The following section sets out the major features of an extended zone of acceptance in a fairly abstract and generalized framework applicable to analyzing all organizationwide problems of acceptability (this point is returned to at the end of the article). After the next section, we turn to its specific application to the Rogers Report's account of the *Challenger* accident.

### THE ZONE OF ACCEPTANCE EXTENDED<sup>2</sup>

If all the [organization's] orders for actions reasonably practicable [were] arranged in order of their acceptability to the person affected, it may be conceived that there are a number of which are clearly unacceptable, that is, which certainly will not [be] obeyed; there is another group somewhat more or less on the neutral line, that is, either barely acceptable or barely unacceptable; and a third group unquestionably acceptable. This last group lies within the "zone of indifference." The person affected will accept orders lying within this zone and is relatively indifferent as to what the order is so far as the question of authority is concerned [Barnard, 1968].

The major features of Barnard's "zone of indifference" seem straightforward: Each organizational member has a zone of acceptance, that is, a set of organizational orders and instructions, which he or she rarely challenges (Barnard, 1968: 168-169). Simon (1976: 116, 125, 126-127) describes the zone in similar terms: "If the orders transmitted to [an employee] by the organization remain within these limits of acceptance, he will permit his behavior to be guided by them," where the employee does so "without deliberation": The employee "holds in abeyance his own critical faculties for choosing alternatives and uses the formal criterion of the receipt of a command or signal as his basis" for action. But Simon is not completely consistent in his usage of the term. For example, the zone of acceptance apparently can be organizationwide as well as member-

specific (Simon, 1976: 134). Moreover, employee acceptance may take place when he "does not care which alternative is selected, or when sanctions are sufficiently strong to induce him to carry out an *undesired* goal" (Simon, 1976: 133-134; my italics). That is, some orders are accepted, not "without deliberation," but at times only after considerable thought over what should be done. Indeed, by the time that Thompson (1967: 106, chap. 9) turns to the zone of acceptance, he makes clear that a variety of its organizational members often have discretion in selectively defining what is or is not acceptable organizational behavior. In other words, Barnard's (1968) original concept has over time taken on a wider ambit in several important respects.

To my knowledge, no one has examined just what are the significant features that emerge when the zone of acceptance is extended to cover both the organization as a whole and the multiple meanings that "acceptance" can take on in a complex organization. Four major points have been identified that follow from this extended zone of acceptance. First, notwithstanding our habit of doing so, it is very difficult in practice to disaggregate a complex organization into conventional elements such as managers and specialists or administrators and technicians. Second, and again notwithstanding conventional wisdom, disobedience and insubordination are often difficult to identify in complex organizations, particularly when one of its major bureaucratic norms is to put up with things that are disapproved of there. Third, just as this organizational behavior of "putting up with things one dislikes" has equal status with the exercise of rights and duties in an organization, so too should we expect that organizational practices govern the exercise of this forbearance in the same way as others govern the exercise of rights. Finally, the existence of a complex organization (and by implication an organizationwide zone of acceptance) depends on the willingness and ability of its organizational members to make a fairly crucial distinction between what they put up with and what they *accept* to put up with in the organization concerned. The remainder of this section details the rationale for these general points and their implications, while the following section sets out the specifics of their strategic importance in a reanalysis of the *Challenger* accident.

Any discussion of an "organizationwide" zone of acceptance confronts at the outset several unavoidable levels of analysis and boundary issues. What an employee may otherwise find unacceptable is nonetheless accepted by the employee because his or her superior finds it acceptable; what this superior may find otherwise unacceptable is accepted because the subunit that he or she works in finds it acceptable; . . . and so on

through the complex organization and the interorganizational network of which it is a part. In short, it is not an easy matter to specify or summarize both where a "complex organization" starts and ends and at what levels, if any, acceptable or unacceptable behavior is to be found within "it." Instead of attempting to identify such boundaries and levels of analysis, their "fuzziness" is taken as the point of departure for the following examination. That is, if there is such a "thing" as an organizationwide zone of acceptance in this cross-web of interrelationships, it would have to encompass a very wide variety of "acceptances," at least from the perspective the organizational member. Different members at different times in different ways accept (or do not reject) doing certain things in a complex organization. If this is the case, then the ambit of "acceptance" at the level of complex organization must be a wide one, even if (precisely because?) its boundaries and internal structure are not always clear.

Just how wide, though? First, there is the often subtle, but still the very real, difference between "I accept" and "I do not reject" just noted. But there is much more. For our purposes, it is important that the reader understand how various these different acceptances can be in complex organizations.

### **Types and Examples of Acceptance<sup>3</sup>**

|                          |                                                                                                                                    |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| Agreement                | —I liked it and therefore accepted it.                                                                                             |
| Reconciliation           | —I won't say we're agreeable on everything, but we patched over our major differences.                                             |
| Sufferance/Endurance     | —I did not agree to it and would have rejected it had I been able to; we're just going to have to learn to live with this.         |
| Obedience/Acquiescence   | —My likes and dislikes were irrelevant: I did what I was told.                                                                     |
| Indifference             | —I neither liked nor disliked it, agreed with nor rejected it.                                                                     |
| Deference/Acknowledgment | —In matters like this I always defer to her opinion.                                                                               |
| Expediency/Equivocation  | —I was really indifferent or uncertain about it, but decided to go along with it simply since it was the most politic thing to do. |

|                           |                                                                                                                                                           |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Resignation               | —I'm used to not getting my way in such matters.                                                                                                          |
| Forbearance/Tolerance     | —I put up with it, even though I disliked it and could have done otherwise.<br>Why? Because this matter falls within the limits of what we tolerate here. |
| Neutrality                | —It's my position (right/duty/role) to remain impartial in such matters, while others make up their minds on what to do.                                  |
| Concession/Granting       | —We had enough resources in the system so we could afford to accept it.                                                                                   |
| Compromise                | —I accepted (did not reject) it because to do otherwise would have been too costly or would have caused even more harm.                                   |
| Accommodation             | —They had about as much to lose as I did if we didn't settle.                                                                                             |
| Irrefragability           | —It was such a trivial/indisputable/obvious matter that I never even thought not to accept it.                                                            |
| Indulgence/Permissiveness | —I gave way to my inclination to make everyone happy by not interfering with its acceptance.                                                              |
| Moderation                | —I accepted it because the means to achieve it were consistent with its overall ends, where neither were excessive.                                       |
| Empathy                   | —I didn't agree with what she decided but I went along with it anyway, since I understood precisely how she must have felt when making that decision!     |

The list could easily be extended: "Compatibility," "pragmatism," "conflict avoidance," "assurance," "consensus," and "turning a blind eye," for instance, capture aspects of acceptance or nonrejection that the others listed do not. Nuances could also be added: For example, the "uncertainty" found in some expediency or equivocation may be in the form of, *inter alia*, hesitancy, confusion, muddleheadedness, fallibility, or skepticism. Indeed, the examples grow simply by virtue of identifying the manifold reasons and modes of action that people use to justify

their acceptance or nonrejection of an item in complex organizations. Still, sufficient examples have been listed for drawing the points summarized earlier.

One might on first glance think that those in authority define the conditions for realizing any one of these 17 or more formulations. It is the superiors who determine for their subordinates what is to be accepted or rejected organizationally and it is superiors who often have the rights and authority to make such a determination. Yet when these formulations are considered as a group, rather than taken singly, the reader sees the whole panoply of causal determinants simultaneously at work—individual, bureaucratic, technological, cultural, historical, and socioeconomic factors, to name but the more obvious. In practice, organizational members typically take acceptance to be warranted on a variety of different grounds, that is, their justifications are frequently cast in personal, causal, ethical, ideological, teleological, and/or analogical terms, among others (see Dunn, 1982: 315-321). If what we mean by “acceptance” in an organization is in reality a family of concepts that include or overlap with, *inter alia*, agreement, reconciliation, sufferance, obedience, indifference, deference, resignation, expediency, forbearance, tolerance, neutrality, concession, compromise, accommodation, irrefragability, indulgence, moderation, and empathy, then surely it is an alloy that resists easy decomposition into separate elements: This zone of acceptance is *at once* personal *and* bureaucratic *and* technical *and* cultural *and* historical *and* socioeconomic *and* . . . in nature. In such circumstances it becomes difficult in practice to pinpoint the exact role one is taking on—is he or she being bureaucratic, political, personal, and so on?—when acting within this zone of acceptance.

This point can be made clearer by a brief illustration. Robert H. Johnson (1985: 145-147) has written in the following terms about his State Department participation on a 1964 interdepartmental committee investigating whether or not to recommend to President Johnson that the Vietnam War be escalated:

The escalation study was in some respects a model of foreign-policy planning. It sought to analyze the long-term consequences of a policy that was about to receive serious consideration. The committee began by identifying the basic questions that needed to be answered and built from the ground up; generalizations were based upon detailed expert studies. Moreover, those who prepared the overall study were Asia generalists who tried to look beyond the sometimes narrow perspectives of regional spe-



cialists to raise larger policy issues. Yet the study met the fate of most policy-making exercises in foreign affairs—generally it was ignored. . . . Given the domestic and international political imperatives of the situation in Vietnam as perceived by leading policymakers, it is most unlikely that dissenting views could have prevailed under any circumstances. Certainly [George] Ball did his eloquent best. . . . It was the escalation of the U.S. military effort that raised the moral issue for [some on the committee]. It embarked the United States on a course that, we estimated, had almost no chance of success. Yet it would inflict horrendous human and social sufferings on the people of Indochina and the United States. There was a terrible lack of proportionality between the importance of goals America sought and the means to reach them. This gap was widened by the fact that U.S. goals could not be achieved by the means chosen. Some of us came to have other moral objections to American policy, but the proportionality issue was the starting point for all of us.

Here the reader can see many of the concurrent issues revolving around organizational acceptance: pressures to compromise, concerns over moderation and “objectivity,” hints of presidential expediency, the exercise of restraint in considering options, and agreement that gave way to deference and then, for a time, to acquiescence. More important, precisely because of this mix, who can parse out in the above passage just what roles and factors were personal as distinct from bureaucratic in nature or what bureaucratic behavior was politically versus professionally motivated in the study? Identification of the causal determinants of organizational acceptance and the multiple roles that one has when acting within this zone are no easy matter, at least at the level of the complex organization as a whole. This is the first of the four important points to be drawn from a more broadly conceived organizational zone of acceptance.

Having said that, does this mean that all 17+ formulations carry equal weight? Are some more important than others? Or is there a first among equals in this family of concepts of organizational acceptance? In answer, we must first return to the black and white world of Simon and Barnard, filled with little obedience and much insubordination (Simon, 1976: 12; Barnard, 1968: 162). It is a world in which executives have their rights and subordinates their duties, both of which are violated frequently. As shall be seen momentarily, such a view is at odds with that of our expanded notion of an organizational zone of acceptance.

If a right consists of a positive view on a matter joined with the legitimate power to support it, though the power need not be invoked, then

what we have called "forbearance"—that is, a negative view of a matter joined with the legitimate power to act against it, though the power is not invoked—is not only different from a right, but forbearance and rights are *mutually exclusive* (King, 1976: 168). A superior's right to approve a subordinate's decision is logically and empirically different from that superior's forbearance in not vetoing that decision, even though he or she has the authority (legitimate power) to do so. When a matter is put up with, the object of such forbearance is not necessarily put up with because rights are involved. Conversely, a matter of behavior that is enjoyed as a right cannot be represented as a matter of forbearance alone.

Indeed, at one level, an organization can be conceived as the amelioration of (potentially) conflicting rights and duties through the mechanism of institutionalized forbearance. To think that insubordination or disobedience begins once we overstep the perimeter of our rights or duties in an organization distorts *logically and conceptually* that twilight area that we call forbearance in the organization's zone of acceptance. One may counter and say that what is at issue here is still a matter of rights—in this case, the "right to forbear" or the "duty not to interfere." But if that is the case, then what stops us from opening up the notion of rights and duties to include all of the other formulations of organizational acceptance/non-rejection identified earlier? That is, we should now admit there to be, for example, the right to be indifferent or the duty to be moderate, the right to compromise or the duty to be neutral, the right to agree or the duty to obey, and so on. Whether by letting forbearance coexist alongside rights and duties or by expanding the notion of rights and duties to include all matters of what we have called organizational acceptance, the result is the same: a diversity in organizational behavior that blurs any hard-and-fast distinction about what is subordination or insubordination in an organization. As is known all too well, putting up with things that we disapprove of, when we need not do so, often makes our determination of what is or is not insubordination very difficult. This is our second major point.

Another implication follows from the fact that forbearance has a special status among the family of concepts that constitute the zone of acceptance in an organization. If, in Barnard and Simon terms, authority rests on what organizational members accept to be guided by and if we can speak of the rights and duties circumscribing this authority, then it follows that forbearance has an independent role in defining organizational authority alongside that of rights and duties. In this view, forbearance should not be thought of, say, as personal discretion in the exercise of authority; rather just as the exercise of rights and duties can be

conceived of as behavior guided by both personal discretion *and* official regulation, so too should forbearance be considered. That turns out to be our third important point.

The role of regulations entails a broader issue relevant both to the preceding point as well as our final one. Much of what the 17+ formulations embody are differences in how people conduct themselves as a matter of practice after or as a result of making decisions; or they connote that the proximate cause of the acceptance was less a matter of decision than of following already learned practices or routines in the organization. Organizational rules, regulations, and routines in no small part govern what members take to be *credible* behavior with respect to what is or is not acceptable in the organization (for a discussion of the related notion of "credibility logic," see Landsbergen and Bozeman, 1987). "We compromised because that is the way we do things around here; in such matters, few if any questions ever arise; we usually defer to her opinion in this area; that's one cost we have come to know this organization can ill-afford"; and so on.

Saying that the organizational zone of acceptance consists of choice and conduct, decisions and practices, would, however, be noting the obvious, were it not for our fourth point. Its rationale is set out in the model developed in the Appendix. To summarize, the continued existence of an organization (and thereby its zone of acceptance) requires that the organizational zone of acceptance have at least two conceptually distinct components: Organizational members put up with things they dislike and they accept having to put up with such things. The latter has to be distinguished from the former for two reasons: (1) As the 17+ formulations suggest, complex organizations can exhibit considerable variation in the forms that "acceptance" of forbearance can take, while (2) the variation in "putting up with things" may well be less, since we can expect that forbearance is as much a matter of practice and conduct as are rights and duties in the same organization. Acceptance can be manifested in ways more multiple than is behavior in accordance with standard organizational practices. The importance of this issue will become clearer in the next section.

So much for the deductive properties of an organizationwide zone of acceptance, should it exist. The next step would seem to be an empirical one, namely, determining if these features—and by implication the extended zone of acceptance—are present in any given complex organization. For our purposes though, the more interesting empirical question is identifying the major implications arising when ambiguity is increasing

or decreasing with respect to the four features. Cohen and March have shown both the functional and dysfunctional nature of ambiguity in one complex organization, the university; for example, uncertainty over major organizational goals frequently facilitates their acceptance in the institutions they studied (Cohen and March, 1974: 196; a similar point is made by Graff, 1988: 191). The issue of interest is: What happens when what Cohen and March call organizational ambiguity over purpose, power, experience, and success is itself changing in fairly unambiguous ways? To the extent that concerns over acceptability are core to the operation of any complex organization, then the overall implication of the above analysis is that major stress in such an organization arises when these features are being reversed there. More specifically, if one is searching for those critical factors that work against the determination of what is or is not acceptable behavior in the organization concerned, then the implication of our four points is that one should look for the following:

- (1) increased disputes over, fragmentation in, and hardening of role distinctions (Point 1: hard-and-fast role distinctions are difficult to make in practice when considering the organization *qua* organization);
- (2) increased charges of insubordination and disobedience (Point 2: the description of behavior in such terms is often difficult to substantiate when organization members, as a matter of common practice, put up with things they disapprove of);
- (3) increased ambiguity over whether or not practices previously governing what was put up with still apply (Point 3: just as they have practices governing the exercise of rights and duties to accept or reject things, so too do organizations have practices governing what is or is not tolerated); and
- (4) increased ambiguity over whether or not there are any standards at all separating what is acceptable from what is put up with (Point 4: these two categories are conceptually distinct).

### A REANALYSIS OF THE ROGERS REPORT

Nothing in the notion of an organizationwide zone of acceptance requires that these four stress points, if present, be localized. What the Rogers Report, recorded Commission testimony, and news reports arising from this testimony show, however, is that when these tensions are all present and operating in one part of the organization, the consequences can be lethal. Specifically, the Report makes it clear that all four stress

points were found in the link between NASA contractors and their immediate NASA superiors. Indeed, NASA's notion of what is acceptable and unacceptable behavior came under the greatest pressure prior to the *Challenger* accident *not between Levels III and I and II, as the Report implied, but between Levels IV and III:*

The Space Shuttle's Solid Rocket Booster problem began with the faulty design of its joint and increased as both NASA and contractor management first failed to recognize it as a problem, then failed to fix it and finally treated it as an acceptable flight risk. . . . NASA did not accept the judgment of its engineers that the design was unacceptable . . . [while] Thiokol's stated position was that "the condition is not desirable but is acceptable." . . . [Moreover,] as tests and then flights confirmed damage to the sealing rings, the reaction by both NASA and Thiokol was to increase the amount of damage considered "acceptable" [Presidential Commission, 1986: 120].

Elements of these four stress points were also present throughout all levels, but what the available evidence underscores is that these tensions were never more debilitating than when they occurred in combination in the contractor/NASA link at Levels III and IV.

Let us now reanalyze this material in terms of the four stress points and thereby sharpen the multiple explanations of the Rogers Report.

#### THE PROBLEM OF RIGID ROLES

According to a report in the *New York Times*, federal audits found NASA making organizational distinctions that were in reality difficult to make.

Despite NASA's views to the contrary, the Government auditors argued there was no clear distinction between technical and administrative management, particularly because it often involved the same people. . . . And if there was no real distinction, they argued, safety issues cannot be considered separately from administrative problems. . . . [As one informed observer put it,] "Outside the laboratory there are very few decisions that are technical. The whole technical, management, procurement, schedule, and cost issues are interrelated" [*New York Times*, April 24, 1986].

The Rogers Report shows that the NASA divide between managers and engineers was more contentious than usual at the tangency of inter-

action between NASA and its contractors. A Thiokol engineer illustrates this conflict in recounting how the engineers' recommendation not to launch was overruled by Thiokol managers,

[A Senior Vice President in Thiokol] said we have to make a management decision. He turned to [the Thiokol Vice President, Engineering] and asked him to take off his engineering hat and put on his management hat. From this point on, management formulated the points to base their decision on. There was never one comment in favor, as I have said, of launching by any engineer or other nonmanagement person in the room before or after the caucus. I was not even asked to participate in giving any input to the final decision charts . . . I was never asked nor polled, and it was clearly a management decision from that point [Presidential Commission, 1986: 93].

#### THE IMPRESSION OF INSUBORDINATION

"My God, Thiokol, when do you want me to launch, next April? . . . You guys are generating new Launch Commit Criteria" is what one of the chief Level III NASA officials is reported to have said at the January 27 meeting when hearing the recommendation of the Thiokol engineers not to launch below the 53°F minimum (Presidential Commission, 1986: 96). Another Level III official was reported to have been "appalled" by the engineers' recommendation (Presidential Commission, 1986: 90). The impression of engineer insubordination and not playing by the "rules of the game" was subsequently reinforced by Thiokol management efforts allegedly to demote these very same engineers, an action that the engineers involved felt was "punishment" for their having cooperated with the Commission (*New York Times*, June 4, 1986).

#### AMBIGUITY OVER WHAT FORBEARANCE PRACTICES APPLY

Earlier forbearance was defined as one's putting up with what is disliked even though one need not do so. In this sense, the supreme act of forbearance for NASA was the decision to launch. NASA tolerated a myriad of uncertainties and risks each time it decided to launch the shuttle when it did, rather than delaying until things seemed less risky and uncertain. Each decision to launch was set within the context of NASA's option not to launch at that specific time. Thus our model suggests we examine just what criteria or practices existed that, if breached, would have led NASA not to launch 51-L when it did.

There were probably several such criteria, but the ones returned to repeatedly in the Commission testimony were the two found between Levels IV and III. The launch would have been recommended for delay by Level III had (1) the launch temperature fallen outside the range set by the Launch Commit Criteria and/or (2) the contractor had recommended not to launch (Presidential Commission, 1986: 103; 99, 90, 92). It was precisely these two criteria that were thrown into doubt and ambiguity in the January 27 meeting between NASA and its contractor, Morton Thiokol. One of the Thiokol representatives at that meeting remembered the complaint of the Level III NASA official that Thiokol was proposing new temperature standards:

The [proposed 53°F minimum] brought a lot of strong comments and reaction from several of the NASA officials. . . . [The Level III official] commented that, you know, we are trying to establish a new launch commit criteria. We can't do that. You don't do that the night before a launch. That's a predetermined set of constraints and we can't do that [*New York Times*, February 26, 1986].

Or as the Level III official recalls telling Thiokol at that meeting:

What you are proposing to do is to generate a new Launch Commit Criteria on the eve of launch, after we have successfully flown with the existing Launch Commit Criteria 24 previous times. With this LCC . . . we may not be able to launch until next April [Presidential Commission, 1986: 96].

These multiple doubts over Launch Commit Criteria were, in turn, related to doubts expressed over the other criterion, the contractor recommendation to launch or not. According to Thiokol engineers, they were asked at the meeting to prove that the shuttle could not fly below 53°F, a request that in their view ran counter to standard practice governing the other flights:

This was a meeting where the determination was to launch, and it was up to us [the Thiokol engineers] to prove beyond a shadow of a doubt that it was not safe to do so. This is in total reverse to what the position usually is in a preflight conversation or a flight readiness review. . . . We were being put in a position to prove that we should not launch rather than being put in the position [to have to] prove that we had enough data to launch [Presidential Commission, 1986: 93].

The Thiokol vice president for engineering, who first sided with his engineers, but later supported the Thiokol management recommendation to launch, underscored the importance of this switch in practice:

Chairman Rogers: How do you explain the fact that you seemed to change your mind when you changed your [engineering to management] hat?

Mr. Lund: We have dealt with Marshall for a long time and have always been in the position of defending our position to make sure that we were ready to fly. . . . But that evening . . . [we] had to prove to [Marshall's Level III officials] we weren't ready, and so we got ourselves in the thought process that we were trying to find some way to prove to them it wouldn't work, and we were unable to do that. We couldn't prove absolutely that the motor wouldn't work. . . . It seems like we have always been in the opposite mode . . . but the roles kind of switched [Presidential Commission, 1986: 94].

In effect, ambiguity over what launch standards and practices applied arose because Thiokol had been asked by Level III officials to make the case for launching in a way that the contractor had rarely, if ever, had to do so before *and* because this new approach was not merely different, but exactly opposite, of what had hitherto been the prevailing practice (for corroboration from other contractors that the prior practice had been one of the contractor having to prove it was safe to fly, see testimony of Rockwell representatives, Presidential Commission, 1986: 115-116). Why this ambiguity came to the fore when it did in the matter it did, the Rogers Report leaves the reader to speculate, and is clearly an area for future research. For our purposes, though, that it arose the way it did according to the Rogers Report turns out to be one of the major features setting Mission 51-L apart from the preceding shuttle launches.

#### **THE INABILITY TO DISTINGUISH BETWEEN WHAT WAS ACCEPTABLE FROM WHAT WAS PUT UP WITH**

The Report's chronicle of shifting standards of flight safety acceptability records how over time "Thiokol and NASA management came to accept [O-ring] erosion . . . as unavoidable and an acceptable risk" (Presidential Commission, 1986: 148). The people at Levels IV and III who put up with risks they would rather have preferred not to were those who often de facto set the standards of acceptability governing this behavior. As one Commission member is reported to have said,



Each time the shuttle flew and nothing happened, someone suggested that the risk wasn't as bad as they first thought. . . . So they kept lowering their standards, bit by bit, until the situation got so bad that Thiokol was flying in a condition that no one would have tolerated a few years ago [*New York Times*, June 29, 1986].

What had been unacceptable became tolerated, what was tolerated then became acceptable, and what was acceptable kept being compromised to the point where neither NASA nor its contractor seemed able to tell the difference among them.

### AN EXPLANATION OF THE *CHALLENGER* ACCIDENT BASED ON THE REANALYSIS

Let us now summarize this reanalysis of the data and findings set out in the Rogers Report, as parsed through an extended notion of an organizational zone of acceptance. In a paragraph: What caused the *Challenger* accident?

The *Challenger* disintegrated over the Florida coast because the Thiokol engineers were unable to convince their management and Level III NASA officials to recommend not to launch. Better than anyone else at the time, these engineers understood that unusually cold temperatures coupled with persistent O-ring erosion could well be disastrous, and they were right. Yet a set of circumstances conspired against their making a convincing case. Their arguments were made in a meeting where previously accepted and tacitly tolerated assumptions were explicitly questioned and thrown into doubt. Usual practices were reversed. Important organization roles were more contentious than was often the case. Equally important, these series of dislocations occurred, some apparently for the first time, in an organizational setting linking contractors and NASA that was increasingly characterized by a shift in operations from one of trying to maintain standards of flight safety acceptability to one of more and more putting up with what had just previously been unacceptable. No moorings existed in the January 27 meeting from which to judge whether or not these Thiokol engineers had a case to make. In the language of our earlier section, the Level III and IV link had come very close to no longer being governed by an organizational zone of acceptance in terms of acceptable flight safety risks; indeed, if

there had been a zone, it all but disappeared at that meeting on January 27. This apparent disintegration led to the other.

The reanalysis raises some further points. The first thing that sets the 51-L flight review process apart from those of other launches—again keeping in mind our reanalysis is limited to the Rogers Report—is that the Thiokol engineers were not only right when it mattered in recommending not to launch, but they had pinpointed the reasons why the launch would fail. Others had foreseen the O-ring erosion problem before, but it was these engineers who, when confronted with the unexpected cold weather, acted rapidly to forestall the launch. That they were able to do this is all the more amazing in light of what we have come to expect from complex organizations and their advanced technologies, namely, “guessing right” when it matters is always at a premium as is real understanding of such sophisticated hardware. There is a second factor that seems to set the 51-L review process apart from the others. It borders on the conventional wisdom to be told that standard operating procedures and rigid organizational practices lead to bureaucratic pathologies. The picture of the *Challenger* accident left by the Rogers Report is the negative of that argument, namely, pathologies are as likely to arise from the absence of rules and roles. The dislocation or demise of the zone of acceptance in an organization can have consequences even more damaging than those arising from its presence. Even NASA’s legendary can-do attitude, which, in the Report’s view, encouraged putting up with safety problems as long as they could be corrected after the fact could not survive in the absence of an organizational zone of acceptance, as best illustrated by the Thiokol engineers being right but having no way of being convincing.

If the basic information provided in the Rogers Report is correct, then the reanalysis has implications that run against the impression left by the Report over the alleged inevitability of the shuttle accident. This accident was not the first time a similar set of circumstances worked against astronaut safety. The contractor/NASA link was singled out by an official inquiry for blunt criticism in the 1967 Apollo fire as well (*Aviation Week and Space Technology*, April 17, 1967). But this does not mean that a system capable of producing one such accident ensured more of the same later. The failure of Mission 51-L was not inevitable, certainly not in the sense a first reading of the Rogers Report impresses upon its reader. Indeed, the available Commission testimony conveys a vivid sense of the contingent and unexpected operating at the January 27 meeting. While the link between Levels IV and III had come close over time to having no standards of flight safety acceptability, it took that meeting to make its

major participants realize how helpless they were in the absence of these standards, which, if they were there before, ceased to be present during the course of the meeting.

What to make then of those organization theories that maintain that such an accident as occurred to the *Challenger* was "inevitable" or will "eventually" happen again? We should not expect any social science theory to be precise enough to predict just what specific flight or space mission will fail. On the other hand, it is not unreasonable to require that such a theory be able to explain adequately why an accident happened, once it did happen. A theory of inevitability has to be comprehensive enough to tell us whether or not the accident in question was the one that was inevitable. To support such a theory, in turn, frequently means that alternative explanations of what the theory takes to be an inevitable accident cannot be plausibly argued or maintained. But that is exactly the problem: At least one such alternative explanation is possible. The theories of Perrow and Romzek and Dubnick imply that the *Challenger* accident, or something like it, had to occur or was a high probability. In contrast, the countertheory offered above contends that, given the basic information currently available, Mission 51-L did not have to happen the way it did up until the very last when the decision to launch was made. If the counterargument of this article is plausible, then this admits the possibility that, while some accidents may be inevitable, the accidents that actually happen may not be. Much more work needs to be done on the theoretical purchase we get by arguing that some, though not all, high-technology accidents are inevitable.<sup>4</sup>

Moreover, which is the better theory is important to determine, given that astronaut safety is at issue. This article has argued that the causal determination of organizational behavior is not only difficult, but that this difficulty and ambiguity is an essential feature of what it takes to find behavior acceptable in a complex organization. By implication, any attempts to parse acceptable behavior into distinct and specific legal, political, bureaucratic, and professional actions will put stress on the organization and runs the risk of making acceptable behavior difficult if not impossible to obtain there. Romzek and Dubnick (1987: 236), however, argue the virtual opposite: For them, NASA's having to take into account political, bureaucratic, and legal factors is in fact the basic problem, which, if it is to be surmounted, calls for a return to a more exclusive focus on and deference to what they see as the dictates of professional expertise. In a similar fashion, Perrow (1984: 331-335) takes as a major problem and dilemma the inconsistent organizational require-

ments for handling space missions, that is, their complexly interactive nature is best dealt with through decentralization of organizational authority, while their tight coupling is best dealt with through centralization of that authority. Yet the uneasy tension in balancing the dictates of centralization and decentralization is precisely the price that NASA has paid in order to have what it does considered acceptable more often than unacceptable. As Perrow himself implies but does not sufficiently stress, substantial efforts to centralize or decentralize might well serve only to worsen the situation in the case of space missions. From NASA's perspective, it is better to live with the tension than the threat of having made things worse.<sup>5</sup>

While such differences among theories is to be encouraged in terms of their testing, obviously we should not wait for the next shuttle accident to see which one was confirmed. There are at least three more appropriate ways to increase the sample size for testing these theories. Much more research and review are needed on the full range of NASA space-related accidents that have occurred over time. Near-accidents should be studied more closely, along with those instances of over-caution on the part of NASA, particularly what later evidence shows to have been unnecessary launch delays. In addition, more comparative work should be undertaken with researchers on the accident experience of other nations involved in space missions. A larger sample would also have the virtue of encouraging a more sophisticated conceptual elaboration of the organizational zone of acceptance than has been presented in this article. One of the shortcomings of the *Challenger* accident as a case study, from the perspective of this organization theorist, is that the four points of stress over what was or was not acceptable behavior were highly localized in the NASA hierarchy, as noted earlier. One need not go further than the organizational members at the nexus of Levels III and IV to see the crystallization of role fragmentation, insubordination, rule ambiguity, and the blurring of acceptability. What happens, though, when the demise of organizationwide standards of acceptable behavior is not fully found and articulated in the behavior of relatively few individuals? To put it more generally, to what extent can the zones of acceptance of individual organization members differ from the organizationwide zone of acceptance before one or both are brought under severe tension? What are the consequences when this tension is distributed differently across various organizational levels, however "fuzzily" these levels are defined in practice or in theory? While such questions go well beyond the specifics of the *Challenger* case study as currently reported, they need to be addressed in the future as well.<sup>6</sup>

## TWO CONCLUDING COMMENTS

While this article has not touched upon the many merits of the Rogers Report, subsequent research will doubtless find the Report deficient in more ways than already alluded to. Thus the possibility of revising the reanalysis presented here cannot be ruled out. For example, if it is found that role and procedure reversals of the January 27 meeting were also evident and indeed "acceptable" at similar meetings prior to past shuttle launches, then one would have to consider the existence, rather than the absence, of an organizationwide zone of acceptance as a major cause of launch failure. Other hypotheticals and qualifications are imaginable (particularly if we had a larger sample of past space accidents to analyze), but their point here would be the same: The reanalysis here is provisional at best.

A short, final, and more general point. The model developed in this article is intended to apply to any complex organization that has problems in determining what is or is not acceptable behavior and practice. This implies that there should be *many* other cases that our notion of an organizationwide zone of acceptance could illuminate. This task is work for the future.<sup>7</sup>

## APPENDIX

All 17+ formulations have one common denominator: a transaction involving information. Information is being both processed and parlayed in each of the kinds of organizational acceptance identified. Now think of the basic unit of organizational acceptance as a transaction involving the giving and taking of information, or, more formally, as involving a question and answer dyad. Information is asked for (the question side of the transaction) and information is expected in return (the answer side). In this model, any organization, whether market or bureaucracy, can be characterized by its different sets of questions and answers given with respect to any item, task, activity, and so on. For example, a market divided into suppliers and demanders can be conceived in terms of the prices it asks and the prices it ends up receiving. Similarly, a hierarchy can be divided into those in authority and those under authority, where the former are able to ask questions about the motivation of the latter in ways that the latter cannot do with respect to the former. Assume for the following that we are dealing with a bureaucracy divided into two groups, superiors and subordinates, each willing and able to ask and answer different sets of questions.

Assume then that these two groups, *i* superiors and *j* subordinates, are each characterized by a unique question-asking and answering function,  $Q_i$  and  $Q_j$ , respectively,

$$(Q\text{-function})_i = f(OB; a_{1i}Q_1, a_{2i}Q_2, a_{3i}Q_3, \dots a_{ni}Q_n)$$

$$(Q\text{-function})_j = f(OA; a_{1j}Q_1, a_{2j}Q_2, a_{3j}Q_3, \dots a_{nj}Q_n)$$

where (OA, OB) are constants (the importance of which we shall see shortly),  $Q_1 \dots Q_n$  are the types of questions asked and answers given, and  $a_1 \dots a_n$  are the weights assigned to each type of question and answer in the Q-function. As specified, the presence or absence of different types of questions and answers, along with the different weights assigned to each, set the two groups apart from each other.

For schematic purposes, this multidimensional organization is reduced to a two-dimensional space, with our two homogeneous Q-functions drawn as in Figure A1 (the assumption of linearity is not mandatory; the positive slopes indicate only the necessary condition that the more questions asked the more answers expected). Those familiar with supply and demand analysis will be tempted to interpret Figure A1 as showing that, at  $Q_e$ , *i* and *j* are willing and able to ask OY questions and receive OX answers. This, however, would be incorrect, for in our construction  $Q_e$  represents one point that generates six associated values, not just two (such as OY and OX). That is, *i* and *j* are each associated with three specific values at  $Q_e$ , namely, a certain number of questions that are answered, a certain number of questions that go unanswered, and a certain number of "answers" given to questions never really asked or that have been already answered. In particular, at  $Q_e$  the *j* subordinates, in order that their AY questions are "properly" answered, are willing to accept OA questions to go unanswered by *i* superiors and (OX - AY) "answers" to questions *i* mistakenly imputes to *j* or irrelevant answers by *i* to those AY questions. Similarly, at  $Q_e$  the *i* superiors are willing to accept, in order that *i* may ask and be answered correctly BX questions, (OY - BX) of their questions to go unanswered and OB "answers," either imputed to but not actually asked by *i* or irrelevant answers to BX questions. Thus the organization as a whole can be described by a level of "noise" that *i* and *j* put up with, consisting of (OA + OY - BX) unanswered questions and (OB + OX - AY) misanswered questions. Put more simply, organizations are willing to accept a degree of misfired behavior in order to get what they really want. Such bureaucracies are described not only by the fact that some of what they want they get, but also by the fact that some of their demands go unmet and some of their behavior is really not needed. We will return to this point shortly, but first we must look at  $Q_e$  a bit more closely.

Does  $Q_e$  reflect the equilibrium set of (six) values in our bureaucracy? That is, would *i* and *j* accept any other set of values than those reflected in  $Q_e$ ? Assume in Figure A2 that *j* decides  $Q_f$  is preferred in the organization rather

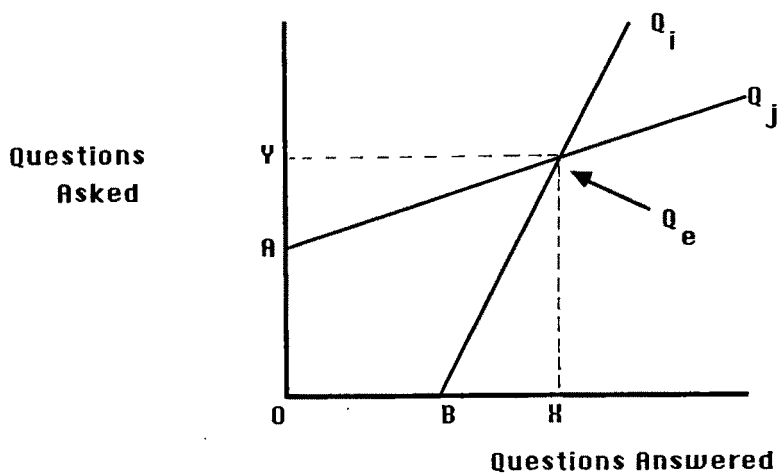


Figure A1

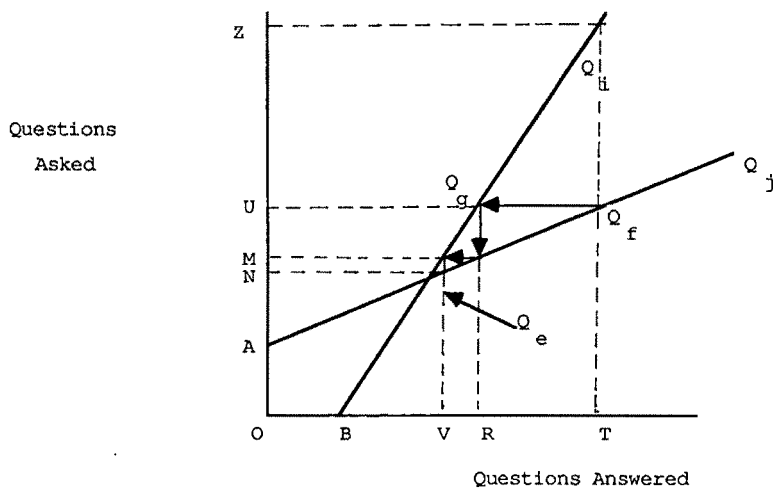


Figure A2

than  $Q_e$  (e.g., the union issues a new contract ultimatum). Remember, the quid pro quo operating here is "I will answer (some of) your questions, if you answer (some of) mine." Now, at  $Q_f$   $i$  could respond by generating the different set of values reflected at  $Q_i$  or  $Q_g$ , namely,  $i$  deciding that it wanted BT or BR of its questions answered. Say that  $i$  chooses the (U, R) mix by "moving" to  $Q_g$ . At  $Q_f$  or  $Q_g$ ,  $j$  wants AU of its questions answered, but  $i$  will only answer  $j$  AM questions if  $i$  is to get BR questions correctly answered ( $i$  gets BR questions answered whether  $j$  has AU or AM of its questions answered). Yet if  $j$  is restricted to AM correctly answered questions it will respond by allowing  $i$  BV (rather than BR) answered questions. However, if  $i$  is restricted to BV answered questions, it will in turn restrict  $j$  to only AN (rather than AM) questions that it will answer . . . and so on until the organization arrives at  $Q_e$ . Had  $i$  chosen the (Z, T) mix, the system would have been unstable, never reaching equilibrium.

Bureaucratic equilibrium, in a sentence, implies that acceptance is reached over *both* answering what is asked *and* putting up with some interrogative behavior going unfulfilled. This has both a formal and a more practical rendering. Over the long run, an organization is said to exist if and only if two joint conditions are jointly satisfied: Questions are asked and answered because those involved have already accepted what they will put up with in terms of the level of "noisy" behavior; similarly, questions are left unanswered or "answers" are given to questions not asked because those involved have already accepted what questions they must have answered. Of course, an organization at any single moment may not be in equilibrium, such that in the short run what is required for organizational existence is, as the above example was meant to illustrate, a movement toward finding jointly acceptable levels of fulfilled and unfulfilled interrogative behavior among the parties concerned. If the long-term conception is correct, then organizational acceptance has two distinct components—the behavior of each organizational member to put up with things and the organization's acceptance of that member's behavior. At one level, we have "putting up with what one dislikes" and at a higher level we have "accepting having to put up with things." Thus the model underscores both the importance we attached earlier to forbearance ("putting up with things") among other forms of acceptance as well as the pivotal nature of acceptance in general to organizational survival. Moreover, the three organizational levels implied in the text are brought out by construction: At the aggregate or organizational level, equilibrium denotes the only point where superiors and subordinates are indistinguishable from each other by virtue of their common agreement; at the individual level, we see each organizational member,  $i$  or  $j$ , in terms of her unique Q-function; and "in between" we witness the "putting up with things" that is organizational noise and that is as much a matter of practice and conduct as are rights and duties in the same organization.



## NOTES

1. Views differ on the adequacy of the Rogers Report. Romzek and Dubnick (1987: 227) assert, "Opinion is growing . . . that the official explanations offered by [the Rogers Commission] fail to provide full answers to why the disaster occurred." James Fallows (1986: 36), on the other hand, praises the Report in a number of respects, concluding: "As government documents go, the five volumes released by the Rogers Commission are of remarkably high quality. . . . No one will fault them for covering up."

2. Since theory is at times generated to justify prior conclusions, it is worth noting that the bulk of this section and the Appendix were prepared in a slightly altered version for an earlier exercise.

3. I have drawn several of these examples from King (1976: 54-60, 167) and Crick (1971).

4. Perrow's book on "normal accidents" for high-technology systems made at least one very accurate prediction: His theory "suggests, for example that the probability of a nuclear plant meltdown with dispersion of radioactive materials to the atmosphere is not on chance in a million a year, but more like one chance in the next decade," so Perrow (1984: 4) wrote several years before Chernobyl. In fact there are uncanny parallels between what Perrow took to be the paradigmatic normal accident—that of Three Mile Island—and the *Challenger* accident, for example, an overworked staff, delays and shutdowns, and the ubiquitous leaky seal (Perrow, 1984: chap. 1). Nonetheless, Perrow's specific prediction about the probable nature of space mission accidents was considerably less accurate: "If space missions have accidents, they are likely to be system accidents rather than component failure accidents" (Perrow, 1984: 345). The *Challenger* blew up precisely because of a component failure in one of the seals in the booster rocket and that explosion had little to do with the "unanticipated interaction of multiple failures," which Perrow (1984: 70) terms a system accident. Indeed, one of the signal features of the *Challenger* accident was that the failure of the seal and its consequences were anticipated, at least by Thiokol engineers.

5. Recent work by Montgomery (1988: 217) suggests that the "closest approach to system perfection" in a complex organization, such as a large irrigation agency, is a "balanced equilibrium" among what he calls three bureaucratic cultures, each having differing demands, among others, with respect to centralization and decentralization.

6. While a detailed examination of how NASA handles the "blame" for near-accidents and what were proven to be unnecessary launch delays was not included in the purview of the Rogers Commission, such an exercise is, I believe, essential to addressing the limits of congruity between the organizationwide and member-specific zones of acceptance. If the perception of most organizational members within NASA is that over-caution and near-accidents should be tolerated or otherwise accepted as a matter of bureaucratic principle, then we would have another way to confirm the argument of this article, namely, individual organization members share a common organizationwide zone of acceptance in NASA.

7. As a way of encouraging the reader to explore further, let me give two abbreviated examples of our four points applied to very different organizational problems related to identifying acceptable and unacceptable behavior.

(a) Many government and donor agencies have "never really accepted the legitimacy of using economic standards [particularly benefit-cost analysis] as the principal means of determining project acceptability" (Schwartz, 1977: 3). The reasons why such agencies infrequently use benefit-cost analysis (BCA) are commonly said to derive from the procedure itself because of alleged deficiencies in its handling of uncertainty, shadow prices, intangible benefits, discounting, political constraints, and distributional considerations (see Grubb et al., 1984; Roe, 1985). Our four points, however, locate a different set of reasons for the infrequent government practice of BCA.

First, BCA encourages divisions and distinctions that are difficult to make in such an organization, particularly the separation of economic considerations from political ones and project winners from project losers. Second, the very assumption that BCA is the "better" way to do project analysis is orthogonal to one of the more notable features of complex organizations: They put up with different types of analysis in order not to subordinate one to another, even though such organizations would at times rather do otherwise. Thus and third, the organizational practice of tolerating different kinds of analysis becomes increasingly jeopardized to the extent that the "better" practice of BCA is actually adopted and institutionalized. Fourth, there is perhaps no better example of the blurring of the boundary between what is acceptable and what is tolerated in analysis than the role of quantification in BCA. No one, for instance, is altogether comfortable with putting numbers on the value of life, but it is increasingly done in the practice of BCA. Indeed, many analysts are no longer certain if such quantification is put up with because it is really acceptable to do so or accepted merely because it is tolerated.

(b) The complex field organized around feminist studies provides our second example. In his article on pornography and antipornography, Jonathan Elmer (1988: 46) notes the "frenzy of line-drawing between acceptable and unacceptable behavior" when it comes to defining in what sense, if any, pornography should be censored. The four features of a disappearing or missing zone of acceptance are readily apparent in the field of feminist studies on this issue. Disputes are on the rise between feminists who see pornography protected as a form of free speech and those who want it banned as an infringement of the civil rights of women (Elmer, 1988: 45 ff.). As a consequence, differing role conceptions as to what it is to be a "feminist" have become more rigid among some of the disputants. Moreover, to some feminists the very notion that others in feminist studies can be "for" pornography smacks of a betrayal of feminism. Part of the problem, as Elmer (1988: 49) points out, has been the "remarkably ineffective" Supreme Court standards as to what will or will not be tolerated as obscenity; Elmer (1988: 53-56) also discusses differing feminist views over how to interpret the antipornography ordinances proposed by other feminists. Finally, this debate over pornography has had the perverse effect of elevating pornography to a topic worth having a controversy over. As Elmer (1988: 48) puts it, the very existence of pornography "continually question[s] the boundaries of acceptable discourse," which in turn "continually allows [that] discourse to declare itself acceptable." The line between accepting pornography as a topic worth talking about and accepting to put up with pornography even though it should not be worth talking about has become blurred for a number of feminists.

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*The frequency with which top administrative officials in state government retain (or leave) their positions as agency heads is documented and discussed in this preliminary descriptive analysis of administrative turnover/tenure in state government. Two-year turnover rates during a 24-year period (1959-1983) are analyzed for 72 different types of administrative agencies in all 50 states. Several findings are prominent: (1) turnover rates have increased over time; (2) recently, about 50% of all state agency heads remain in the same position over each two-year period; (3) turnover is higher among newly created agencies; and (4) turnover is higher among the directors of "redistributive" agencies and lower among the heads of "distributive" agencies.*

## **ADMINISTRATIVE TURNOVER IN STATE GOVERNMENT**

### *A Research Note*

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**Change in state government policy** is often ascribed to changes in the legislative branch. Interparty competition, increased professionalism, and legislator turnover have been linked to policy change (Patterson, 1983). However, changes in the executive branch are arguably of equal importance to state policy outputs (Brudney et al., 1986; Elling, 1983;

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Sharkansky, 1971). Legislative change in the last two decades has occurred within the context of a relatively stable institutional setting. State bureaucracies, in contrast, have grown rapidly in both size and complexity during the past two or three decades (Chubb, 1985; Wright, 1982). One prominent form of executive branch change that has largely been overlooked is turnover among top-level personnel in state administrative agencies. This article explores turnover rates for a large number of administrative agencies in all 50 states between 1959 and 1983.

State bureaucracies are often depicted as sources of continuity, competence, and expertise for the multiple missions of state government. Sharkansky (1971: 240-241) notes that "administrators provide permanence and professionalism to the states. They typically acquire their positions by virtue of training and specialization rather than electoral success. . . . Professional administrators often enjoy the respect of elected officials for their expertise." A reasonably stable organizational setting and some degree of continuity among personnel is likely to be important in fulfilling this role.

Some observers associate stable administrative leadership with sound managerial practice (Cohen, 1986; Conant, 1986). Stability in state executive branches may also help administrators to develop a clear understanding of state policies and more effective policy implementation techniques. It may further promote cooperation among key officials. Rapid personnel changes among national cabinet officials, for example, have been associated with a lack of teamwork at that level of government (Heclo, 1977). Tenure among senior executives may be particularly significant at the state level because of state legislative turnover; stable state bureaucracies could lend policy continuity to state government.

Additionally, continuity among state bureaucracies may enhance the political influence of the executive branch in relation to the legislature. If legislators fail to accumulate experience with administrative practices because they are "outlived" by top administrative officials, these executives may gain the upper hand in conflict over budgets and details of policy implementation. This advantage may help explain why most top state administrative officials report that most legislation affecting their agencies originates within their own agencies (Wright, 1982: 302).

Direct exploration and even the provisional testing of questions as broad as those mentioned above are beyond the scope of this present inquiry and analysis. Yet each rests to an extent on the assumption of modest turnover among state administrative heads. This article establishes rates of state administrative turnover; only first-order descriptive findings

and more modest hypotheses are examined. The turnover data and findings discussed in this analysis represent initial steps along a broader and more complex research avenue directed toward patterns of change and influence involving state bureaucracies.

Furthermore, our analysis is restricted to patterns of turnover among those officials formally designated as heads of their respective state agencies. These officials serve at varying levels of state organizational hierarchies, and may be elected officials, political appointees, or career civil servants (or some combination of the latter two backgrounds). Although organizational level may also affect the political resources and managerial challenges of state agency heads, we do not explore such a hypothesis in this article.

## MEASURING ADMINISTRATIVE TURNOVER

Many studies of state legislative turnover have been written. One conclusion from these studies is that legislative turnover, while it has decreased from the high levels of past decades, persists at an average rate of approximately 25% at each legislative election (Niemi and Winsky, 1987; see also Frances and Baker, 1986; Rosenthal, 1974). Little, if anything, is known about tenure and turnover among state administrative officials.

To explore administrative turnover rates, we collected data from the *Book of the States* supplementary publication, *Administrative Officials of the States Classified by Function*. We compared the incumbents in administrative posts heading 72 different types of agencies in every state for two-year periods starting in 1959 and continuing to 1983. Twelve two-year comparisons were executed that span the twenty-four-year period. For example, we found that from 1979 to 1981, 33 directors of state planning agencies remained in their positions for the two-year period. Since 43 states had planning agencies during that period, we calculated a retention rate of 77% (and a turnover rate of 23%) for state planning agencies for the period 1979-1981. During the same period, a total of 1,903 administrators of a possible 3,724 retained their positions for at least two years, creating a overall biennial turnover rate of 51% for the years 1979-1981.

To explore how retention levels varied over longer time periods, we also compared agencies over four-year spans (1963-1967 and 1973-1977)

and six-year periods (1967-1973 and 1977-1983). The four- and six-year periods coincide with a series of mail questionnaire surveys of state administrators conducted in the years 1964, 1968, 1974, 1978, and 1984. The selection of these periods will enable us in subsequent research to link turnover rates to the characteristics of individual agencies and states.

The turnover data reflect a considerable amount of variation in retention rates both over time and among the various agencies. Our data show overall *administrative* turnover during the period from 1959 to 1983 to be approximately 40% (see Table 1). This indicates that among all types of agencies from all fifty states, 58% of all agency heads remained in their position(s) during each two-year period. The percentages further indicate that the biennial retention rate for top administrators steadily declined until 1973, when it leveled off at around 50%. During the first period examined, 1959-1961, about 70% of administrators from all agency types remained in office, but during the last period, 1981-1983, only about 50% kept their positions over the two years. This represents a decrease of nearly 20 percentage points during the two-plus decades. Various forces are apparently making top-level state government administration more of a revolving door situation. This trend, oddly enough, runs counter to the simultaneous movement toward longer tenure among state legislators. Recent administrative retention rates in the neighborhood of 50% are much lower than current legislative retention rates at around 75%.

The four- and six-year comparisons (see Table 2) indicate that stability among state agency heads erodes rapidly over longer periods of time. For example, the four-year periods of 1963-1967 and 1973-1977 had retention rates of only 49% and 30%, respectively. The six-year periods of 1967-1973 and 1977-1983 had expectedly lower retention rates of 24% and 19%, respectively. These figures lend further support for the observation that turnover rates have increased over the past quarter-century.

Present data do not permit us to test propositions concerning the causes of decline in tenure rates among top administrators. Perhaps some of the increasing instability has been the result of greater freedom in appointment powers of some governors, coupled with the trend toward four-year terms and increased reelection prospects for many governors (Sabato, 1983). Governors may have become more assertive in shuffling top-level personnel. A plausible and contrary case could also be made that longer gubernatorial tenure should lead to *higher*, not lower retention rates among top-level state administrators. Individual administrator dissatisfaction with state pay scales and working conditions may also be factors promoting lower retention rates.



TABLE 1  
**Mean Retention Rates for State Agency Heads,  
 Two-Year Periods 1959-1983**

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1959 - 1961 71.9%

1961 - 1963 66.7%

1963 - 1965 71.1%

1965 - 1867 67.5%

1967 - 1969 57.6%

1969 - 1971 48.1%

1971 - 1973 50.5%

1973 - 1975 50.8%

1975 - 1977 50.6%

1977 - 1979 51.0%

1979 - 1981 50.8%

1981 - 1983 51.1%

Overall two-year retention rate: 57.7%

Overall two-year turnover rate: 42.3%

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NOTE: Overall retention and turnover rates are based on the total number of administrators staying in office for at least two years divided by the total number of offices in existence in all 50 states for each two-year period, summed over the 12 two-year periods.

TABLE 2  
**Mean Retention Rates for State Agency Heads,  
 Four- and Six-Year Periods 1959-1983**

| <u>Four Year Comparisons</u> | <u>Six Year Comparisons</u> |
|------------------------------|-----------------------------|
| 1963 - 1967 49.0%            | 1967 - 1973 24.1%           |
| 1973 - 1977 30.1%            | 1977 - 1983 19.5%           |

We can, however, test two hypotheses about factors associated with higher turnover rates among specific types of agencies. Perhaps some of our explanations concerning causes of varying tenure rates *across agencies* may be relevant to the explanation of changes *over time*.

### HYPOTHESES CONCERNING TURNOVER

Past efforts to explore administrative turnover have been limited to micro-level hypotheses concerning individual administrators. Cohen (1986), for example, found that tenure among federal cabinet secretaries was associated with loyalty to and popularity of the president under whom they serve. Sapolsky et al. (1987) found that innovation in New Jersey State government was hindered by turnover among key executives. A study of mid-level executives in Tennessee State government (Cunningham and Olshfski, 1985) linked tenure in that state to a "perception of satisfactory movement up a self-defined career ladder" and "job satisfaction." The data we employ, however, cannot provide measures of individual attitudes. Moreover, our broader research interest is focused on state policy and the broader role of administrators in state political systems. We explore two hypotheses concerning (1) agency age and (2) policy type.

Anthony Downs (1971) hypothesized that the age of a public organization strongly determines the types of individuals who will be attracted to work for it. Newer organizations, Downs argued, attract "climbers." These are ambitious, self-interested bureaucrats who tend to "jump" from one organization to another in pursuit of their goals—primarily personal advancement. Initially, however, agencies ("bureaus") tend to be founded and led by "zealots" who are devoted to specific policy causes.

The older an organization becomes the less attractive it is to climbers, who see little opportunity for self-aggrandizement in agencies that have

become rigid over the course of time. Zealots soon flee established agencies, too, in search of newer causes. Additionally, older agencies tend to exert pressure on all bureaucrats to become "conservers." These are bureaucrats who eschew agency innovation and risky career moves for the goals of security and convenience. As agencies become older they tend to lose climbers and zealots; they tend to retain and/or create conservers.

In the context of state government, we hypothesize that newer agencies will exhibit higher turnover rates because they generally attract more climbers and may owe their creation to zealots. The older, more established agencies should have higher retention rates.

Specific documentation of the relative age of state government agencies comes from information detailing the emergence of new agencies and offices from *The Book of the States*. Table 3 shows that from 1959 through 1983, most state governments (45 or more) supported a core of 43 functions by means of specific and identifiable agencies. These functions included: (1) the traditional state offices, primarily elective, such as the attorney general, auditor, treasurer, and secretary of state; and (2) the traditional line agencies such as corrections, highway patrol, and education. These 43 agency types constitute a continuous core of state government responsibilities.

During the 1960s and 1970s, however, many state governments adopted three additional types of agencies: (1) cabinet-level "super" coordinating agencies such as departments of human resources, natural resources, and transportation; (2) new "staff" agencies that emerged to help manage the increasingly complex state governments, for example, planning and finance; and (3) newer line agencies designed to deal with emerging social and economic issues of those decades, for example, drug abuse, air pollution, and housing finance. Note that the spread of these agencies has generally been less pervasive than that of the "traditional" agency types (see Table 3).

The spread of these newer agencies came about partially as a result of the process of policy innovation and diffusion. The "super" agencies, for example, were created as a result of the spreading popularity (and political successes) of state government reorganization during the latter 1960s. Line agencies in new policy areas similarly spread by emulation of one state by another or through the stimulus provided by the federal government (Chubb, 1985). The creation of new agencies has offered new opportunities for persons from outside of state government to step into key positions. In 1984, for example, 42% of respondents to a national survey of top-level state administrators reported that they were hired from

TABLE 3  
Proliferation of State Agencies, 1959-1983

A. 1959 - 1983: Agencies that existed in 45 or more states

|                     |                        |            |
|---------------------|------------------------|------------|
| Adjutant General    | Advertising (Tourism)  | Aging      |
| Agriculture         | Auditor                | Banking    |
| Budget              | Civil Defense          | Geology    |
| Corrections         | Education              | Fishing    |
| Food and Drugs      | Forestry               | Health     |
| Higher Education    | Highways               | Insurance  |
| Labor               | Highway Patrol         | Library    |
| Library (Law)       | Liquor Control         | Parks      |
| Mental Health       | Motor Vehicles         | Parole     |
| Water Pollution     | Air Pollution          | Purchasing |
| Public Assistance   | Public Utilities       | Taxation   |
| Securities          | Water Resources        | Welfare    |
| Secretary of State  | Workmen's Compensation | Treasurer  |
| Employment Security | Vocational Education   |            |
| Attorney General    | Soil Conservation      |            |

B. 1965 - 1983: agencies that existed in 35 or more states

|                        |                   |             |
|------------------------|-------------------|-------------|
| Administration/Finance | Aeronautics       | Comptroller |
| Commerce               | Natural Resources | Personnel   |
| Planning               | Federal Relations | Oil and Gas |
| Economic Development   | Labor Arbitration |             |

C. 1971 - 1983: agencies that existed in 30 or more states

|                      |                      |            |
|----------------------|----------------------|------------|
| Community Affairs    | Court Administration | Drug Abuse |
| Human Resources      | Information          | Mining     |
| Air Pollution        | Criminal Justice     |            |
| Juvenile Delinquency | Economic Opportunity |            |

D. 1975 - 1983: agencies that existed in 25 or more states

|                            |                 |          |
|----------------------------|-----------------|----------|
| Consumer Protection        | Environment     | Ethics   |
| Mass Transportation        | Transportation  | Medicare |
| Waste Management           | Railroads       | Arts     |
| Manpower                   | Housing Finance | Energy   |
| Vocational Rehabilitation  |                 |          |
| Occupational Health/Safety |                 |          |
| Occupational Licensing     |                 |          |
| Mental Retardation         |                 |          |

positions outside of state government (Haas and Wright, 1987). In sum, most state governments have expanded and changed rapidly with the addition of new agencies and functions. We utilize the groupings of agencies shown in Table 3 as a coarse measure of agency age.

Our second hypothesis concerns policy type. Several scholars have posited typologies of public policies in support of the observation that the policy arena helps to determine the character of politics and administration. The most noted of these typologies, of course, is that of Lowi (1972). He draws distinctions among redistributive, distributive, and regulatory policies. According to Ripley and Franklin (1982), redistributive policies involve the most conflict and the highest difficulty for successful implementation. Regulatory policies pose moderate difficulties, and distributive policies the lowest amount of conflict. Conflict can create pressure for administrative change in several ways. It can result in political pressure for the removal of administrators. Increased policy implementation difficulties can make an administrative position less enjoyable for the incumbent. We therefore hypothesize that levels of conflict and difficulty outlined by Ripley and Franklin will be reflected in lower retention rates for agencies whose missions are primarily redistributive. Higher retention rates should be revealed for administrators heading regulatory and distributive agencies.

## RESULTS AND DISCUSSION

Table 4 displays percentages that support the first hypothesis. The grouping of agencies by age yields a descending rate of retention. The older, "traditional" agencies averaged an approximate 60% retention rate over the twelve two-year periods examined. The youngest group of agencies, by contrast, retained an average of only 45% of their administrative heads during the years of their existence. The expansion of state activities into new policy areas has been accompanied by a notable lack of continuity among top managers in the newer agencies.

The relationship between agency age and tenure may help to explain the diminishing rate of administrative tenure over time. If the analysis is confined to data for only the *oldest* group of agencies during the period of 1981-1983, for example, the retention rate rises from 51% to 56%. That higher rate is still lower than the overall retention averages of most of the earlier two-year comparisons, suggesting that other factors may play a role. Nevertheless, our findings are consistent with Downs's (1971)

TABLE 4  
**Mean Retention Rates for Agencies Grouped by Age**  
 (over all years for which comparisons could be made)

---

|                      |       |
|----------------------|-------|
| Group A: (1959-1983) | 60.6% |
| Group B: (1965-1983) | 53.3% |
| Group C: (1971-1983) | 48.6% |
| Group D: (1975-1983) | 45.1% |

---

TABLE 5  
**Mean Retention Rates for Agencies Grouped by Policy Type**  
 (over all years in which comparisons could be made)

---

|                       |                                                                                                                                                                                           |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Redistributive: 44.2% | (includes welfare, medicaid, housing finance, economic development, public assistance, community affairs, and aging agencies)                                                             |
| Distributive: 63.3%   | (includes highway, water resources, public works, agriculture, soil conservation, forestry, fish and game, natural resources, and oil and gas agencies)                                   |
| Regulatory: 56.3%     | (includes public utilities, aeronautics, occupational licensing, insurance, environment, consumer protection, pollution control, mining, food and drug, banking, and securities agencies) |

---

contention. Newer agencies are characterized by higher turnover among their leaders.

Table 5 displays the breakdown of agency types into policy areas. Different assignments are possible, since many agencies have multiple mission areas (Ripley and Franklin, 1982). This grouping of agencies by policy area and function does produce substantial differences in mean

retention rates. Consistent with Ripley and Franklin's description of greater conflict in redistributive policies, agencies with a redistribution-oriented mission have much lower tenure rates for top administrators. Additionally, the distributive-oriented agencies have notably higher retention rates; regulatory agencies are in the middle.

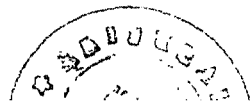
There is some informally observed correlation between age of agency and policy area, particularly among the distributive agencies, which tend to be the older, traditional agencies. In future analyses, we hope to subject these findings to multivariate analysis. For now, our findings demonstrate the general importance of agency type to turnover rates.

Additionally, there are a number of other important hypotheses concerning the causes of administrative turnover that remain to be explored. Among the most important of these from a theoretical perspective are the varying appointment methods by which administrators gain their posts (including popular election) and the potential effect of gubernatorial appointment powers.

## CONCLUSIONS

We began with a discussion of the theoretical and practical importance of continuity in state government. We have documented, however, the substantial extent to which state government administration is not a very stable organizational leadership setting. The creation and spread of new responsibilities and the related lack of tenure among top administrators present formidable challenges to public administrators and public policy at the state level. Although lower-level administrators *may* be more likely to stay in the same agency for longer periods, the heads of state administrative agencies appear to be a transient group.

To date, most attention concerning rapid administrative change has been focused on the national senior executives who operate under pay caps and other potentially undesirable working conditions. The extent to which change and turnover are perceived as problems in state governments is unknown, although many states also have salary limitations. In California, a recent (1986) ballot initiative (Proposition 61) called for steep cuts at the high end of the state's pay scales. One key issue in the initiative campaign raised (successfully) by foes of the measure was the



ability of the state to retain top administrators. Current pressures upon state governments to assume greater taxation and spending responsibility may make the quality, experience, and continuity of state administrators more visible issues. If this occurs, then even greater importance will attach to the question of the correlates and causes of high turnover among top-level state administrators.

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# ADMINISTRATION & SOCIETY

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*"Administrative responsibility" connotes multiple and even conflicting meanings, including (a) political responsibility, which embodies the virtue of duty; (b) professional responsibility, embodying the virtue of integrity; and (c) personal responsibility, which reflects the qualities of self-awareness and authentic relationship. The theory of countervailing responsibility holds that any one of these three meanings is not only inadequate for a full understanding of responsible action, it also becomes pathological unless it is "countervailed" by each of the other two meanings. Drawing from the fictional exploits of C. S. Forester's Horatio Hornblower, the article explores the subtle and complex relationships among the virtues and pathologies associated with the three meanings of responsibility. The intended contributions of the article are (a) to show why responsible action should not be equated with morally or legally correct action, and (b) to argue that responsibility is both a psychological issue and an intellectual or cognitive one.*

## **THE RESPONSIBLE ACTOR AS "TORTURED SOUL"**

### ***The Case of Horatio Hornblower***

**MICHAEL M. HARMON**

*George Washington University*

In every truth the opposite is equally true. For example, a truth can only be expressed and enveloped in words if it is one-sided. Everything that is thought and expressed in words is one-sided, only half the truth; it all lacks totality, completeness, unity. When the Illustrious Buddha taught about the world, he had to divide it into Sansara and Nirvana, into illusion and truth, into suffering and salvation. One cannot do otherwise, there is no other method for those who teach. But the world itself, being in and around us, is never one-sided. (Herman Hesse, *Siddhartha*)

**AUTHOR'S NOTE:** *This article will appear in Henry D. Kass and Bayard L. Catron (Eds.), Administration and Governance: The Recovery of Political Discourse. Newbury Park, CA: Sage.*

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**In 1804, with the Peace of Amiens** having broken down, and war between England and France renewed, Horatio Hornblower, Commander of HM Sloop *Hotspur*, engaged his small ship in his country's desperate and protracted blockade of French seaports, thwarting the Emperor Napoleon's plans for invasion. During an incident near Brest, the *Hotspur* drew heavy fire from a French shore battery while attempting to rescue survivors from a companion vessel that had just been sunk. After the rescue, but still within enemy range, the *Hotspur's* main topmast backstay was severed and fell to the deck with a loud thump not three yards from Hornblower's feet. The damage had been done by the impact of a live shell that had yet to explode:

and there on the deck, death, sizzling death, was rolling towards him; and, as the ship heaved, death changed its course with the canting of the deck, in a blundering curve as the belt round the shell deflected its roll. Hornblower saw the tiny thread of smoke, the burning fuse one-eighth of an inch long. No time to think. He sprang at it, as it wobbled on its belt, and with his gloved hand he extinguished the fuse, rubbing at it to make sure the spark was out, rubbing at it again unnecessarily before he straightened up. (Forester, 1962, p. 283)<sup>1</sup>

Hornblower, whose courage and cunning had already made him a hero in the eyes of his crew and something of a legend among others of the British blockade fleet, impatiently ordered onlooking crewmen back to their duties when, "as if some Gorgon's head had turned them all into stone" (p. 283), they gaped at their captain in slack-jawed amazement in the wake of his seemingly calm, even casual heroics.

With characteristic understatement, Hornblower reported in the most minimal of terms the *Hotspur's* rescue operation to his superior, one Captain Chambers. Some weeks later Chambers's own report to the Admiralty appeared in the *Naval Chronicle*, as was then the custom in such matters, and would be read widely thereafter by the British public. Its last four lines read:

Captain Hornblower informs me that *Hotspur* suffered no casualties although she was struck by a five-inch shell which did considerable damage aloft but which fortunately failed to explode. (p. 286)

On reading Chamber's account, Lieutenant Bush, Hornblower's admiring second-in-command, strenuously protested the omission of any mention of Hornblower's daring action.



"'Tisn't right, sir. 'Tisn't fair. 'Tisn't fair to you, sir, or the ship."

"Nonsense, Mr. Bush. What d'you think we are? Actresses? Politicians? We're King's officers, Mr. Bush, with a duty to do, and no thought for anything else. Never speak to me again like this, if you please, Mr. Bush," (p. 287)

whereupon Hornblower abruptly dismissed his subordinate.

It was horrible to see Bush shamble out of the cabin, hurt and depressed. The trouble with Bush was that he had no imagination; he could not envisage the other side. Hornblower could—he could see before his eyes at that moment the words he would have written if Bush had had his way. "The shell fell on the deck and with my own hands I extinguished the fuse when it was about to explode." He could never have written such a sentence. He could never have sought for public esteem by writing it. Moreover, and more important, he would scorn the esteem of a public who could tolerate a man who would write such words. If by some chance his deeds did not speak for themselves he would never speak for them. The very possibility revolted him, and he told himself that this was not a matter of personal taste, but a well-weighed decision based on the good of the service; and in that respect he was displaying no more imagination than Bush.

Then he caught himself up short. This was all lies, all self-deception, refusal to face the truth. He had just flattered himself that he had more imagination than Bush. More imagination, perhaps—but far less courage. Bush knew nothing of the sick horror, the terrible moment of fear which Hornblower had experienced when that shell dropped. Bush did not know how his admired captain had had a moment's vivid mental picture of being blown into bloody rags by the explosion, how his heart had almost ceased to beat—the heart of a coward. Bush did not know the meaning of fear, and he could not credit his captain with that knowledge either. And so Bush would never know why Hornblower had made so light of the incident of the shell and why he had been so irascible when it was discussed. But Hornblower knew, and would know, whenever he could bring himself to face facts. (pp. 287-288)

Any dissection of this episode, especially one littered with theoretical categories and pretensions to psychological insight, surely runs the risk of spoiling the fun of reading Hornblower, whose deeds speak so eloquently for themselves, and whose tortured ruminations afterward seem to invite sympathy more than analysis. Indeed, I fear it likely that Hornblower himself might summarily condemn speculations of the sort

that follow as "bombast and fustion," epithets he usually reserved for fatuous poems by the likes of Lord Byron.

The reasons for Hornblower's appeal, warts and all, as a literary hero make him an ideal exemplar for the subject of this essay, namely, what I shall term here the theory of countervailing responsibility. Hornblower is a paradigm of the responsible actor precisely because his deeds and reflections so vividly embody the ambiguous and even contradictory meanings of the word. Where academic writing about the subject typically strives for consistency, justification, and closure by means of the impersonal tools of logic or precedent, Hornblower struggles unendingly to understand the meaning of his own responsibility amid the unpredictable and often terrible circumstances in which he must act. That his creator, C. S. Forester, never endows his protagonist with anything approaching complete self-understanding makes Hornblower believable by reminding us of our own capacity for self-deception. What Forester does not allow his captain to realize is that his struggle to comprehend his own internal contradictions is evidence not of his wretched failings, as he supposes, but of his heroism.

Hornblower's adventures will be used to illustrate both a particular theory of responsible action and a way of thinking about theorizing as a means to inform it. Each of these aspects is related to the other. Because various meanings of the word *responsibility* stand in inevitable tension with one another, it is misleading to equate responsible action in its fullest sense with correct action. Action that is deemed correct from the standpoint of one meaning might very well be incorrect or irresponsible from the standpoint of another. Thus a theory of responsibility cannot reasonably be expected to provide correct answers about how to act or even to delimit the range of possible courses of action that could be classified as being responsible. Rather, in view of the contradictory meanings of responsibility, a theory about it can at the most provide a framework for reflection within which various meanings of the word can be assessed in relation to the concrete circumstances they are intended to illuminate.

A principal thesis of this essay holds that the purpose of theorizing should be to foster reflective conversation about "what to do next" and also about what we have been doing as retrospectively revealed to us. Bad theorizing, then, stops conversation and in so doing stops social process more generally, because the latter is chiefly, if not exclusively, made up of conversations, both oral and written, with others and with ourselves. The terms of these conversations should be both general enough to have widespread salience, but also specific enough that differences between,

say, good and evil, health and sickness, and so on are, at least in the abstract, unequivocal. Thus I shall stipulate that ordinary virtues, although they may vary both in their relative priority among individuals and in the ways in which their relevance to actual situations may be interpreted, are nonetheless likely to have virtually universal salience to those, which includes most of us, who even occasionally reflect upon questions of right and wrong and good and evil.

Furthermore, for any virtue or moral principle that we might mention, it is possible to identify what I shall term a countervailing virtue with which the first stands in tension. Although this assumption falls short of being self-evident, the notion of countervailing virtues is familiar enough to most of us. Beginning with high school civics class, for example, we have been taught that liberal democracy is a process for mediating trade-offs between the competing values of liberty and order (or, from a somewhat different perspective, between liberty and equality). What is less often made clear, however, is the corollary idea that serious harm results from an exclusive emphasis on one as opposed to the other of these two values. Each value or virtue may generate its own pathologies "unless it is held in tension with its partner." Liberty, unless checked by the virtue of order, produces chaos, whereas order that is not countervailed by liberty results in oppression.

TABLE 1  
**Virtues, Pathologies, and Countervailing Virtues**

| Virtues       |            |
|---------------|------------|
| liberty ..... | order      |
| <hr/>         |            |
| chaos         | oppression |
| Pathologies   |            |

Although I believe that this formulation has much commonsense appeal, it is usually grasped only partially, owing to our tendency, which is evident in conversations that have broken down or stalled, to be oblivious to the pathologies of our own preferred virtues. In addition, by

unconsciously projecting our own fears onto others, we often interpret opposing virtues exclusively in terms of their pathological or "shadow" side. The advocate of unbridled liberty, that is, regards oppression as the sole alternative to his or her preferred virtue, whereas the champion of order regards chaos as the only supplanter.

### **COUNTERVAILING MEANINGS OF ADMINISTRATIVE RESPONSIBILITY**

The idea of countervailing virtues depicted in Table 1 will be expanded in the discussion that follows in order to summarize three definitions of responsible action, as well as their countervailing relationships to one another. The three meanings of responsibility, for which there is substantial normative support in the public administration literature, embody differing senses of the virtuous; but all three exhibit two generic pathologies that become manifest unless each meaning is countervailed by the other two (see Figure 1). Each definition of responsibility, then, constitutes both a primary meaning and a countervailing meaning to both of the others.

#### **POLITICAL RESPONSIBILITY**

The combined legacies of Woodrow Wilson (1887/1941), Max Weber (1947), and Herbert Simon (1976) provide the theoretical basis for the most familiar and influential conception of responsible action in American public administration discourse. Wilson's insistence on the separation of politics (policy formulation) from administration (implementation) paralleled Weber's distinction between ends and means implied by the legal/technical mode of rationality embodied in the bureaucratic form of social organization. Drawing from logical positivism, Simon later offered a powerful epistemological basis for Wilson's dichotomy by arguing for a radical analytical distinction between values and facts, with value judgments constituting the stuff of politics, and factual judgments comprising the domain of administration. These three dichotomies—politics and administration, ends and means, value and fact—logically combined to provide an easily grasped and unambiguous normative conception of the administrator's proper role in democratic<sup>2</sup> government, namely: The administrator has both a moral duty and a legal obligation to enforce laws

| Meanings of Responsibility                                                                                                                                                                                | Pathologies                                                                                                                                                                                                            | Countervailing Meanings |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| <b>Political:</b><br>Action that is accountable to or consistent with objectives or standards of conduct mandated by political or hierarchical authority                                                  | <b>Opportunism:</b><br>Sycophantic obedience (or passivity) motivated by personal gain or political expedience                                                                                                         | Professional            |
|                                                                                                                                                                                                           | <b>Reification of Authority:</b> Obedience resulting from the apprehension of authority as a compelling force that determines behavior, such that personal responsibility is disclaimed or lost to conscious awareness | Personal                |
| <b>Professional:</b><br>Action that is informed by professional expertise, standards of ethical conduct, and by experience rooted in agency history and traditions                                        | <b>Goal Displacement:</b><br>Covertly controlling the policy process and enhancing agency power through the assertion of professional expertise                                                                        | Political               |
|                                                                                                                                                                                                           | <b>Impersonality:</b><br>Dealing with people impersonally as cases, irrespective of unique needs or contexts                                                                                                           | Personal                |
| <b>Personal:</b> Action that is informed by self-reflexive understanding; and emerges from a context of authentic relationship, wherein personal commitments are regarded as valid bases for moral action | <b>Narcissism:</b> Posturing about personal values in order to deny the legitimate constraints of authority                                                                                                            | Political               |
|                                                                                                                                                                                                           | <b>Confluence:</b> Flouting professional standards by overpersonalizing decisions in order to justify incompetence or avoid confrontation                                                                              | Professional            |

Figure 1: Countervailing Meanings of Administrative Responsibility

and implement policies enacted by democratically elected representatives who give authoritative voice to the public will.

Organizationally, the separation of politics from administration thus dictates that administrators are hierarchically subordinate to elected representatives. That is, organizational arrangements, which usually approx-

imate the bureaucratic form described by Weber, should be devised so that rewards (e.g., promotion, pay, job security) and penalties be meted out in order to ensure that administrators comply with a policy's rules and intent. Their compliance defines whether administrators have acted in an accountable manner; and conformity to the letter and intent of a policy allows administrators to be "called to account" for their actions or inaction. Political (or hierarchical) responsibility is thus synonymous with accountability, which, in addition to being enforceable through legal sanctions, also carries with it a moral imperative that is embedded both in the democratic ethos of the broader society and in the value system of public administrators (Finer, 1941).

An important parallel to the idea of accountability is the notion of efficiency. If, through legitimate political processes, value judgments about the proper ends of the state have been enacted into law, the responsibility of administrators is not simply to implement the law in a dutiful manner, but to do so with the least possible expenditure of resources. Efficiency, defined as the ratio of expenditures to results, is thus an instrumental value, and discretion by administrators is properly limited to judgments about the *means* (for Simon, "factual judgments") by which efficiency may be best achieved, *not* to the desirability of the ends themselves.

### PROFESSIONAL RESPONSIBILITY

The emergence of this second category of responsible action may be attributed to a growing awareness of the limitations of accountability as a sufficient practical and normative guide for administrators. In its earliest form professional responsibility simply entailed the avoidance of wrongdoing, especially action intended to reap personal or political gain for the administrator. Such phrases as "the doctrine of neutral competence" (Sayre & Kaufman, 1960) and "a passion for anonymity," for example, suggest an image of the administrator as a selfless professional who shuns the limelight in the course of dutiful service. From this view, professional and political responsibility are complementary rather than countervailing. The virtues (as well as the pathologies) of each serve to reinforce the other.

By the early 1940s, however, the notion of the professional as a neutrally competent technocrat was challenged by a growing recognition of the breakdown of the policy/administration dichotomy. The blurring of the distinction between policymaking and implementation meant that administration necessarily entailed discretionary judgments, not only

about technical matters, but also about values. The complexities of modern government, according to Carl J. Friedrich (1940), who championed this view, required that administrators be attentive to public opinion, as well as to professional knowledge and ethics, in their interpretation of legislative intent.

At an analytical level the dichotomies between ends and means and values and facts were also shown to be problematic. Ends, as Weber himself noted, are inevitably shaped by the institutional means originally designed for their attainment. More generally, ends are shaped by social processes, which in turn are profoundly affected not only by institutional norms, but also by social practices embedded in language forms and cultural traditions. Thus questions about values are not limited, as in the earlier conception of political responsibility, solely to ends, but also to the means—or processes—that produce them. Questions about means, in other words, are inherently political questions. The consequence of this for public administration was the recognition that bureaucracy, around which debates had been earlier limited to whether or not it was efficient, was a political force in its own right, a *source* of values.

Friedrich's advice that administrators exercise discretion in the implementation of policy seems, in retrospect, to alter only modestly the traditional notion of political responsibility, especially when contrasted with a later challenge to it offered by John Rohr (1984). Friedrich chiefly made a virtue of necessity, arguing that the inherent generality of policy, coupled with the idiosyncratic nature of cases to which it is applied, makes administrative discretion unavoidable. By implication, responsible discretion (i.e., professionalism) entails reflection about ethical standards and public opinion as they bear on the judicious application of the general to the specific.

Rohr, on the other hand, seeks to establish for public administration a vital role as a participant in the political process, having a constitutionally legitimate claim to share in governing. In his analysis of the doctrine of separation of powers, Rohr cites both the language of the Constitution itself, as well as that of the *Federalist Papers* and other historical documents, in order to show, first, that public administration is not prohibited from active involvement in legislative and judicial functions. But more affirmatively, in view of the framers' wish that legislation reflect an intimate appreciation of public sentiment, the subsequent evolution of American political institutions has revealed administrative agencies to be often more representative of and responsive to that sentiment than is the legislative branch. Support for this assertion, Rohr says, is found in the

sheer numbers of administrators compared to legislators; the emergence of "street-level bureaucracies," where the contact between government and citizen is most immediate; and in the fact that administrative agencies, more so than legislatures, are specialized repositories of knowledge, experience, and historical commitments that are invaluable (as well as constitutionally legitimate) sources for the generation and even for the advocacy of policy alternatives. Apart from the affirmative role that agencies should (and do) play in formulating policy, Rohr's analysis also supports a more limited but no less crucial role for administrators, namely, saying "no" to, or actively contesting within legal limits, orders and policy proposals of their political masters.

From Rohr, and to a lesser extent from Friedrich, it is possible to infer a concept of administrative responsibility—one that is consonant with American political tradition and thought—that confers upon administrators an autonomous status as professionals. Professional responsibility does not reject or diminish political responsibility; but these two conceptions of responsibility do stand in counterpoint to one another, like a conceptual separation of powers in which the excesses of opposing virtues may be tempered by one another.

### **Opportunism**

By excesses I am speaking mainly of the pathological, shadow side of any one meaning of responsibility, which may emerge unless a countervailing meaning is asserted. One of the two generic pathologies of political responsibility is opportunism, for which the countervailing meaning is professionalism. The simplest and most passive form of opportunism is merely to do nothing unless given a direct order that is unambiguous. Doing nothing qualifies as obedience only in the negative sense of not disobeying authority, and qualifies as opportunism when its motive is to stay out of trouble. Whether inaction so motivated produces its intended result, however, is another matter. Although doing nothing might frequently go unpunished, it may also be viewed by one's superiors as failing to take initiative. But action, too, entails risk; so the administrator who ponders, if only for self-interested reasons, whether to act in the absence of clear and authoritative instructions may want to consider Hornblower's rule that it is better to get into trouble for doing something than for doing nothing.

Opportunism may also be expressed more actively in sycophantic obedience to one's superior's every whim, through ostentatious or at least



highly visible acquiescence to orders. Dickens's Uriah Heap is the fictional prototype of the sycophant, in whom the virtue of loyalty is grotesquely transformed into the vice of obsequiousness. A more contemporary, and for our purposes here a more illustrative, example of the opportunist is John Dean (1976), counselor to President Nixon during the Watergate affair. Dean's own account of his actions during Watergate shows how his loyalty to Nixon, when accompanied by ambition born of personal insecurity and unconstrained by a sense of professional responsibility, resulted in a most venal form of opportunism. Dean not only complied with illegal orders, he also failed to do what a good lawyer is supposed to do: namely, to provide, from a detached professional vantage, information and advice that, even if unpleasant, might check the momentarily unwise or imprudent exercise of political authority.

Professionals are those who, in Aaron Wildavsky's (1979) phrase, "speak truth to power." But they are helped to perform this role when it is acknowledged to be legitimate by both the profession and the public. It should be emphasized, however, that speaking truth to power is only in the most extreme cases, such as whistle blowing, an act of contesting political authority. Rather, for public administrators it involves primarily the assertion of expertise, professional detachment, and experience grounded in agency tradition in an active and, if need be, forceful dialogue with elected officials (Wamsley et al., 1987).

## Goal Displacement

If every virtue has its vice, we should temper an appreciation of professional responsibility by recognizing its shadow side, namely, that of goal displacement. Goal displacement will be defined here as the tendency of professionals to seek personal gain by disguising political action under a veneer of neutral or technical competence. To a degree, at least, it is an act of deliberate bad faith; and, whether or not the assertion of its presence is justified in any particular case, it is reflected in a profound public distrust both of bureaucracy and the professions. Thus, although Rohr may be able to produce convincing arguments on constitutional grounds for public administration's legitimate status as a governing institution, skeptics will be quick to note that bureaucratic self-interest might well displace the public interest as a motive for administrative action. Government agencies are concentrations of professionals, whose expertise, according to this argument, serves chiefly to make even less visible and more insidious the appropriation of political power by the

bureaucracy. There seems to be a common sentiment behind George Bernard Shaw's observation that "all professions are conspiracies against the laity," and Sayre and Kaufman's (1960, p. 404) contention that New York City bureaucrats invoked the doctrine of neutral competence as a cynical ruse to further their own ends. Professionals, as well as the agencies they populate, participate in the political process, not in the open discourse about the public interest that Rohr recommends, but as either powerful interest groups pursuing their own parochial ends or as captives of the interest groups whom they are intended to regulate. This is the essence of Theodore Lowi's (1969) influential critique of "interest group liberalism," in which powerful interests, including government bureaucracies, have steadily and invisibly usurped from the Congress the responsibilities for articulating the public will and translating it into national policy. The consequence of interest-group liberalism is nothing less than the loss of the popular sovereignty.

Lowi's critique, however, is more persuasive than his proposed remedy, which consists chiefly of urging Congress both to reassert its traditional role as formulator of national policy and to shift back to the Congress the locus of public discourse about it. Public agencies could then resume their traditional role as dutiful implementers of congressionally defined national purpose. Despite the obvious merit of his critique, Lowi's proposed solution seems to amount to reestablishing the policy/administration dichotomy, greatly oversimplifying the problem of administrative accountability by ignoring the inevitability of political judgments made in the name of administrative discretion. Lowi's mistake is in believing that the problem of public accountability may be solved by granting to the Congress the exclusive right to participate in the discourse, which only serves to drive underground, out of public view, the necessary involvement of government agencies in the formation of national policy. The solution, for Rohr, is not to *exclude* agency participation in policymaking, but to legitimate and make more visible their participation in the national discourse about it.<sup>3</sup> Both Rohr and Lowi would agree as to the real dangers of agency manipulation of the policy process through either covert dealings with interest groups or self-serving claims of neutral competence. Rohr, however, interprets the doctrine of separation of powers in such a way that the pathologies that are always latent in the exercise of professional responsibility by administrators may be countervailed by, rather than (as with Lowi) narrowly subordinated to, the requirement of political responsibility. In subordinating the professional to the political to the degree he does (and assuming that it is possible to begin with), Lowi's

solution appears to leave little possibility that the pathologies of political responsibility may be countervailed by the wisdom, experience, and commitment of professionals.

## PERSONAL RESPONSIBILITY

To this point, the discussion of the tensions between political and professional responsibility has summarized the debate about administrative responsibility as it is typically framed in the public administration literature. Specifically, the standard debate depicts administrators, and others with whom they must contend, as consciously rational actors aware of what they are doing and why they are doing it. They are, in other words, decision makers and goal seekers who strategize and sometimes even deceive; but they can also reason in good faith both about the right thing to do in a particular situation, and in a general, abstract way about the moral basis for their actions.

In the standard debate, responsibility is assumed to be an attribute of the *decision* — not, at least primarily, of the actor who makes it. A decision is deemed to be responsible as judged by its consequences, its consistency with a normatively preferred principle, or when it is arrived at through judiciously weighing competing principles. From the decision frame of reference, then, we may speak of *actors* as being responsible only in a derivative sense, that is, insofar as their decisions produce desired consequences or conform to preferred principles.

The idea of personal responsibility is comprehensible only by shifting the frame of analysis from the decision to the more generic realm of action. From this latter frame of reference, responsibility may be seen as a quality that inheres in the actor, rather than in decisions. From the standpoint of the personal, decisions are responsible in a derivative sense, that is, as manifestations of action taken by responsible actors.

Personal responsibility involves essentially an awareness of both the existence and the social and psychological limitations of one's role as agent or cause of one's action. It may be understood as a relational notion in two important respects. First, personally responsible action is self-reflexive, which means that the actor monitors the flow of his or her inner life so as to be aware of the relation of consciously intended actions and the less visible, deeper projects of the psyche that are reflected in those actions. In Jungian terms, to be self-reflexive is to be aware of the dialectical relation between conscious will and unconscious energy, to

realize that knowing of the manifest content of action can reveal only a partial understanding of it. Self-reflexivity means that people "retroactively consider unconscious material as it appears in their actions and otherwise in their lives generally" (White, in press). Because access to the unconscious can never be immediate and direct, self-reflexivity cannot be deliberately willed by asserting "shoulds" and "oughts." It may be prompted and encouraged, however, by fostering "disinterested curiosity," a "friendly collaboration" (White, in press) between the conscious and the unconscious that is marked by an attitude of acceptance, rather than denial or judgment, toward one's spontaneous acts, including seemingly inexplicable slips of tongue or pen, or embarrassments.

Personal responsibility derives its moral nature from its self-reflexive character. By moral, I am not referring to correctness as measured by adherence to a principle or an objective standard. Rather, the moral nature of personal responsibility inheres in the actor's status as agent of his actions, for which responsibility cannot ultimately be lodged outside him- or herself in, for example, a higher authority or learned principles of conduct, no matter how sincerely they may be felt or persuasive their intellectual justification. This should not be read as an indictment of principled thought, but as a caution against the belief that principles can be in any decisive sense authoritative. Rather, principles serve as valuable, yet fallible, symbols both for framing the emergent and unique contexts of action and for self-reflexively questioning one's psychological or emotional stake in those contexts.

In the absence of such a self-reflexive understanding, the latent pathology of principles is manifested in their reification. This reification occurs when the actor overobjectifies principles by unconsciously divorcing them from their original, affective source in the psyche, or by incorporating them whole, as memorized instructions from others. The reification of principles is a profound act of forgetting, in which the project of knowing oneself is truncated in the narrower interest of self-justification. It amounts to a kind of intellectual Eichmannism, in which responsibility is projected onto what have come to be regarded as compelling abstractions, reducing morality, as Edward Whitmont (1982, p. 90) has put it, to petrified legalism. Even the passionate belief in principles exhibits an inauthentic passion when they are invoked as compelling explanations or justifications of action, rather than as symbols that are used self-reflexively.

The pathology of principles is evident not only in self-justification, but also in self-condemnation, which in a similar manner inhibits self-reflexivity and thus personal responsibility. When we reify our principles

(which in truth are usually someone else's), our failure to live up to them leads only to a feeling of guilt requiring constant absolution from others, rather than to reflexive self-understanding. To be self-reflexive about principles entails an attitude of self-acceptance in order to probe the role that they play in our inner lives, allowing us to see splits between who we wish to be and aspects of ourselves that, for the present, we deem to be unacceptable. As Whitmont (1982, p. 91) describes it:

While unavoidable as a first step in individuation, this split needs bridging-over once an ego is established. Only through perceiving one's transgression as "missing the point" (the original meaning of the Hebrew *chato* and the Greek *hamartia* which came to mean "sin") rather than as reprehensible sin, can the individual personality liberate itself from rigidity and continue the course of its evolution.

By permitting us access to the inner world of the actor, the episode from *Hornblower and the Hotspur* with which this essay began aptly illustrates how the idea of personal responsibility alters and enriches our understanding of political and professional responsibility. Recall Hornblower's private reflections after he had dismissed Lieutenant Bush from his cabin. In the first of the two paragraphs, we read how Hornblower, the consummate professional, refuses to allow his sense of duty to degenerate into a craven attempt to curry favor with his superiors. Although his loyalty to the service is virtually absolute, Hornblower exhibits an acute appreciation of how it might have been contaminated by opportunism had he followed Bush's advice to trumpet his own bravery. His professionalism is further evident as he defends as being for "the good of the service," rather than a matter of personal taste, his insistence that his deeds must speak for themselves. This is not because Hornblower has a passion for anonymity. Indeed, because he despairs of languishing for the rest of his career at the middling rank of commander, Hornblower desperately hopes for the kind of notoriety that he could so easily have achieved.

So far, Hornblower's internal dialogue neatly encapsulates the tensions between duty and integrity and between political responsibility and professional responsibility. But just when the reader is prepared to bestow accolades on him for his selfless and professional devotion to duty, Hornblower pronounces himself a coward and his rationalization of his action a fatuous self-deception. Although Hornblower, as usual, overstates the case against himself, he nonetheless instinctively knows that beneath

the noble expression of principle lurk the demons of his psyche that only he knows about—and, even then, only when he has the courage to “face facts.” Although Hornblower no doubt exaggerates in believing that his prior analysis was “all lies,” he would have been right to conclude that it contained only partial truths. Rational discourse can at most contain only part of the truth, the virtue of which is transformed into the pathology of rationalization unless it is understood, if only incompletely, in the context of one’s deeper project of personal development. Being able to probe the relation between the intellectual content of one’s principles and the less visible role they serve in sustaining one’s emotional life constitutes the essence of the idea of self-reflexivity. To be personally responsible is to face facts, however unpleasant, so as to avoid self-deception and self-justification. For Hornblower, this reflexive capability is evident in his awareness that his reason for omitting any mention of his valor was at least as much to conceal from himself his own cowardice as it was a sober expression of his professional integrity.

Personal responsibility is essentially a psychological notion, rather than a matter of moral courage that can be consciously willed. Thus, when people speak of taking or accepting personal responsibility for their actions, the idea is inevitably distorted. Taking and accepting connote conscious intention, rather than self-reflexive awareness. Similarly, being personally responsible should not be confused with acting on the basis of one’s personal values. *Personal* values, because they are intellectual constructs, differ little from professional or political values, regardless of how sincerely they may be felt. They are authentic only to the extent that the person self-reflexively understands them in the context of their relation to the psychological purposes they serve.<sup>4</sup>

The second relational aspect of personal responsibility derives from its social character. Action takes place in or presupposes a social context, which is to say, a context of human relationship. Action is necessarily interaction and is distinguished by its emergent and unpredictable, rather than, at least principally, its rationally planned, quality. The more intimate the relationship, as for example in the face-to-face encounter, the more it may be mediated by the unique contingencies of the moment, rather than governed by general, impersonal categories of appraisal and objectified principles of correct behavior. Such categories and principles, to be sure, may and do influence the encounter; but they increasingly seem to be gratuitous, contrived, and inappropriate as the unpredictable dynamic of the encounter unfolds. Although they may be appropriate and even nec-

essary in less intimate contexts, principles serve as barriers to authentic relationship by distancing actors from one another.

In gestalt psychology, the use of principles as barriers to relationship is defined as a form of introjection, the "swallowing whole of other people's ideas, judgments, and styles" (Herman & Korenich, 1977, p. 52), which can never be fully assimilated. In social relationships, introjects have the effect of stifling authentic feelings and thus block genuine contact with others by functioning as "screens or walls of alien material blocking a free exchange of ideas and feelings" (Herman & Korenich, 1977, p. 54). When this happens the relationship is regulated rather than allowed to take its natural course. The result is that actors calculate their action toward one another so that what was once, or might otherwise have become, a relationship is transformed into a transaction between self-interested, atomistic selves. Mutual commitment and understanding are replaced by the individual calculation of utility. Although cooperation may occur under such circumstances, it is, as Arendt (1958) draws the distinction linguistically, "in order to" achieve a goal rather than "for the sake of" the relationship itself.

To be personally responsible is to act on the basis of a commitment to — out of a feeling of responsibility for — another person and to recognize that commitment as a valid basis for moral action. Action based on personal commitment to another does not deny the legitimacy of principled thought; but it does suggest that the latter serves mainly to frame the context within which action occurs, not to determine in any final sense its content or outcome.

Self-reflexivity and human relationship, the two cardinal elements of personal responsibility, both presuppose the other. The quality of self-reflexivity, wherein actors engage in an open and flexible dialogue between their outer and inner worlds, depends fundamentally on the quality of the relationships that bound and provide them a social context. Action takes place in a context of intersubjectivity in which meaning is mutually negotiated, constituted, and revised. In the absence of relation with others, there can be no action toward which to direct self-reflexive attention. Self-reflexivity is an interiorized form of intersubjectivity that presupposes a prior and ongoing relation with others in order that it may avoid being stranded on the "reef of solipsism," to borrow Sartre's phrase. Not only must others be present, but present in relationships that are characterized by mutual commitment and caring. Self-reflexivity is fragile, elusive, and at best a partially successful effort in self-understanding. It

may easily degenerate into defensiveness and self-justification unless the sincerity and good will of one's partner in the relationship are implicitly felt.

Conversely, authentic relationships based on mutual commitment need self-reflexive participants having a strong sense of independence and individuality in order that that commitment not be transformed into cloying sentimentalism or collusion in one another's "craziness," to use the current idiom. Mutual commitment requires independent, self-aware agents capable of confronting the other with unpleasant facts or an alternative perspective. Thus self-reflexivity and commitment to the other as a person stand in seemingly paradoxical relation, as countervailing aspects of personal responsibility — each potentially pathological unless complemented by the other.

#### PERSONAL RESPONSIBILITY AS A COUNTERVAILING MEANING

The tensions between political and professional responsibility, including the two pathologies for which each meaning countervails the other, are explicable within a framework of discourse that views actors as self-aware, rational beings. The four remaining pathologies of responsibility, two of which are covered in this section and two in the next, involve differing aspects of the notion of personal responsibility. The introduction of the personal as a countervailing meaning to the first two, however, involves more than just the addition of a third meaning of responsibility. Instead, it represents a confrontation between opposing conceptual frameworks, in which the belief that action is exclusively the product of rational decision is radically augmented by a psychological perspective that seeks to understand action in terms of its unconscious origins and its role in the personal development of the actor.

#### The Reification of Authority

Earlier, I discussed the pathology of principled thought as a type of reification in which other people's beliefs are swallowed whole, rather than assimilated. That is, principles are used nonreflexively, precluding the possibility of their playing a developmental role in mediating the relation between conscious thought and unconscious energy. When this happens the actor's sense of agency is lost to conscious awareness with the result that decisions are *compelled* by principles rather than freely



made. Responsibility is lodged in principles—and subsequently in the decisions that seem ineluctably derived from them—rather than in the actor.

Reification more generally may be seen as an alienated mode of consciousness in which people lose sight of their authorship of the social world by apprehending "the products of human activity *as if* they were something else than human products—such as facts of nature, results of cosmic laws, or manifestations of divine will" (Berger & Luckmann, 1967, p. 89). The reification of the social world is made possible, and to a degree even inevitable, whenever it is established and then regarded as an "objective reality," paradoxically existing apart from, or so it seems, the ongoing human production of it. Institutions and roles, because they appear to be among the most objectively "real" of social artifacts, are especially prone to reification—both by their inhabitants and by those whose lives are touched by them. As Berger and Luckmann (1967) describe it:

The basic "recipe" for the reification of institutions is to bestow on them an ontological status independent of human activity and signification. . . . Through reification, the world of institutions appears to merge with the world of nature. It becomes necessity and fate, and is lived through as such, happily or unhappily as the case may be.

Roles may be reified in the same manner as institutions. The sector of self-consciousness that has been objectified in the role is then also apprehended as an inevitable fate, for which the individual may disclaim responsibility. The paradigmatic formula for this kind of reification is the statement "I have no choice in the matter, I have to act this way because of my position"—as husband, father, general, archbishop, chairman of the board, gangster, and hangman, as the case may be. This means that the reification of roles narrows the subjective distance that the individual may establish between himself and his role-playing. The distance implied in all objectification remains, of course, but the distance brought about by disidentification shrinks to the vanishing point. (pp. 90-91)

Institutions and roles are, of course, bound by authority, which means that *their* reification also necessarily involves the reification of authority. When authority is reified, that is, when orders are interpreted as automatically compelling obedience, personal responsibility is disclaimed or simply lost to conscious awareness. Thus when authority is reified it would be inaccurate to say that people choose or decide on rational

grounds to obey authoritative instructions, because the possibility of conscious choice—that is, to obey or not to obey—is precluded by a reified mode of consciousness.

Although the pathology of reified authority finds its most grotesque expression in recent history in the case of Adolf Eichmann, it should be remembered that Arendt's (1963) account of his trial reveals the ordinariness, not of the terrible consequences of his acts, but of the mind-set that permitted him to act as he did. Eichmann did not decide, at least as we are usually led to understand acts of deciding. To qualify as a meaningful act, a decision must presuppose both a self-conscious awareness of what one is doing and the availability of alternative courses of action from which to choose. To ignore the psychological impediments to self-aware choice makes impossible any meaningful distinction between the virtue of loyalty (accountability) and the pathology of blind obedience.

Moreover, it is probably useless to assert consciously held moral values or principles of ethical conduct to countervail the reification of authority. Reification is by definition an unconscious process, which is likely to be reinforced rather than eliminated through attempts at persuasion through rational arguments about values and principles. These may perform some limited role in mitigating the reification of authority, but only when they are understood self-reflexively, permitting the actor to comprehend his or her part in producing, sustaining, and contesting authoritative relationships. The essential point, however, is that it is self-reflexivity, rather than rational thought and judgment, that enables the dereification of authority. In so doing, personal responsibility countervails the second pathology of political responsibility.

### **Impersonality**

In Max Weber's description of the ideal-typical bureaucracy, the norm of impersonality in decision making not only promotes efficiency of operation, but also helps to assure that decisions will be made impartially, free of bias and favoritism. As Weber knew, however, impersonality cuts two ways, its pathology revealed in the pervasive *depersonalizing* of organizational relationships that accompanied the rationalization of social life spawned by the bureaucratic age.

Professionalism is closely linked to the norm of bureaucratic impersonality owing to the belief that competence may be measured by standards of performance (including, but not limited to, efficiency criteria)

that transcend particular persons. Professionals are trained to deal with the general, with differentiations limited to impersonal categories, on the expectation that generalized knowledge will be appropriate to the aggregate of cases to which it is applied. Robert Biller (1979), however, cogently describes the paradox of professionalism in the context of a diverse and heterogeneous clientele.

What must be remembered is that professionals always have knowledge about "answers" derived from that aggregation of knowledge which the profession has codified. Persons, in this sense, are quite opposite from professionals. Persons tend to experience increasingly unique problems and opportunities that produced for them the need to seek out the specialized services of professionals. At the interface between persons and professionals, each brings quite opposite though symmetrical definitions. The professional brings *answers* codified from knowledge developed from the common experiences of many persons. The person brings *questions* that are uniquely contextuated in a lifetime's increasingly particularized experiences. . . . Persons are different with respect to their unique biological and social histories. (p. 158)

From the standpoint of Biller's analysis, impersonality no longer embodies the virtues of impartiality and fairness when its intended beneficiaries experience their problems and opportunities in unique and idiosyncratic ways. Under these conditions the impersonality of professionalism becomes pathological by neglecting the unique character of the problems that individual clients experience. When clients are treated professionally in this fashion, the likelihood that a relationship may evolve in which the professional and the client might jointly define the latter's problems and agree on appropriate courses of action is replaced by the professional's unilateral imposition of problem definitions and solutions. Clients (or patients) are treated as *cases* and success is defined according to criteria decided upon by the profession. (The extreme example of this is the announcement by the physician that even though the patient died on the operating table, the surgery was a technical success.)

To countervail the pathology of professional impersonality requires an appreciation of the second cardinal feature of personal responsibility, namely, that commitment to another person constitutes a valid basis for moral action. This entails more, however, than simply a moral injunction that professionals ought to *make decisions* on the basis of such commitments. These commitments presuppose a context of authentic relationship

in which action unfolds in unpredictable ways, producing outcomes that reflect, in Mary Parker Follett's (1940, p. 65) phrase, the "law of the situation." Relationships, even when they are characterized by disparities in expertise and authority, are more than "decision-making arrangements" for arbitrating preconceived interests. Rather, relationships are contexts for action in which interests are created and revealed through the process of interaction itself. Decisions, like interests, emerge from social process; they are not consciously *made* in the conventionally rational sense. From this perspective, responsibility is no longer an attribute of the decision, but of people who are authentically engaged in social process. Responsibility, in the sense that Follett uses the word,

is possible only by active and reflective participation in the social process by which collective purposes unfold. Responsibility, here, does not mean adherence to an objective standard of truth arrived at through abstract intellectual thought nor obligation to a superordinate source of authority. Rather, in the personal sense that Follett intends, it refers to the self-understanding and self-realization that individuals experience when they invest their emotional energies in collaborative endeavors. (Harmon & Mayer, 1986, p. 343)

#### **PATHOLOGIES OF THE PERSONAL: NARCISSISM AND CONFLUENCE**

The pathologies of personal responsibility derive from the neglect or absence of either of its two defining elements: self-reflexivity and authentic relationship. These two elements may be seen as dialectically related, so that the presence of one to the exclusion of the other renders each pathological. Although I shall argue later that political and professional responsibility may be seen as countervailing the pathologies of the personal, the two elements of personal responsibility "internally" countervail one another (see Table 2).

#### **Narcissism**

In the absence of authentic relationship, self-reflexivity is transformed into the pathology of narcissism. Among the characteristics of narcissism that Christopher Lasch identifies is "pseudo self-insight" (1979, p. 33), rooted in the self-absorption of an inflated ego desperately fending off the anxiety of being alone in the world. Narcissism, which Lasch reminds us

TABLE 2  
**Personal Responsibility as Countervailing  
Virtues and Pathologies**

| Virtues               |                        |
|-----------------------|------------------------|
| self-reflexivity..... | authentic relationship |
| <hr/>                 |                        |
| narcissism            | confluence             |
| Pathologies           |                        |

derives more from self-hatred than self-admiration, is a ubiquitous feature of the present age in which the bonds of "outmoded" authority have been cut loose, leaving individuals "free" to act on impulse, pursuing instant gratification and happiness.<sup>5</sup> The tragedy of narcissism inheres in its fear of intimacy, which is to say, of authentic relationship. In the absence of intimacy the social context that enables true self-reflexivity is therefore denied and pretensions to it reduce to mere posturing. Personal values become nothing more than hollow slogans of autistic self-absorption.

It is no coincidence that the narcissistic personality at the same time both fears intimacy and rejects tradition, history, and authority. An appreciation of the past, as well as a concern with the future, presuppose the presence of relationship, whereas narcissistic gratification is atemporal, ahistorical, and oblivious to (even contemptuous of) cultural tradition. Intimate relationship is, if not exactly a microcosm of historical and cultural association, at least a precondition of it. And authority, however it may be abused, appears to play an essential role in the preservation of a human community and historical continuity.

The pathology of narcissism—which in organizations is expressed in posturing about personal values in order to deny the legitimate constraints of authority—is therefore countervailed "externally" by political responsibility, that is, through the assertion of political authority and requirements of public accountability. Authority and accountability, despite their own pathologies, serve as macro-level analogues to the more intimate level of face-to-face relationship. They are healthy, even necessary, so long as they embody legitimate historical commitments and cultural traditions and are pathological when they are asserted as objective,

incontrovertible truths. The narcissist, by bringing all authority into disrepute, is fundamentally incapable of knowing the difference.

### Confluence

In the absence of self-reflexivity, authentic relationship degenerates into the pathology of confluence. In gestalt psychology, confluence describes relationships in which people lose their individual identities, the apparent benefit of which is a sense of stability, comfort, and predictability. Ironically, the pathology of overextended confluence is evident in people who, having lost their sense of individual identity, also lose "their capacity for real contact with one another" (Herman & Korenich, 1977, p. 74). Authentic relationship thus has a seemingly paradoxical quality involving, simultaneously, unity and separation.

Confluence, rather than sustaining and enriching the relationship, actually aids in destroying it. In order to retain and revitalize the relationship, "confluence needs to be broken intermittently by differentiation" (p. 74), which means that individuality must be reasserted. This reassertion requires, in the terminology of this essay, a self-reflexive awareness of the limitations and possibilities of relationship insofar as it may affect one's own development and sense of individuality.

Confluence is the pathological partner of narcissism. Where narcissism sacrifices relationship in order to sustain a false image of independence, confluence sacrifices independence (enabled by self-reflexivity) to a false sense of relationship. Authentic commitment to the other is thus reduced to collusion — or, in Jerry Harvey's (1974) metaphor, a "trip to Abilene." As a result, superficial harmony spuriously passes for relationship, and its real purpose is to disguise the person's anxiety about an autonomous moral existence.

Where political responsibility symbolizes the virtue of unity around a common project, professionalism symbolizes the integrity of one's individuality in the face of pressures to collude in collective pathologies such as "groupthink." Professional responsibility, that is, may be seen as a macro-level analogue to self-reflexivity at the level of the personal. As such, professionalism may "externally" countervail the pathology of confluence, which is evident organizationally in decisions that are inappropriately personalized, for example, through dubious claims about wanting to avoid hurting another's feelings when objectivity or confrontation is really needed.

## CONCLUSION: THE PRIMACY OF PERSONAL RESPONSIBILITY

The symmetry with which the three meanings of responsibility (along with their six pathologies) are displayed in Figure 1 may give the misleading impression that the political, the professional, and the personal are to be accorded equal normative standing. I should like to disabuse readers of this by noting that the idea of personal responsibility, because it is grounded in the preferred, more encompassing frame of analysis of action (including its unconscious as well as conscious aspects) rather than rational decision, is therefore foundational among the three conceptions of responsibility. This is not to diminish the importance of political and professional responsibility; but it does suggest that assessments of their crucial roles in informing responsible action be grounded in an appreciation of the emergent and unpredictable nature of social action, as well as the intimate connection of action to the project of human moral development. Rather than trying to persuade the reader by further explicating arguments made earlier in this essay, however, I shall instead attempt to illustrate the intuitive plausibility of this conclusion by recounting a final episode in the *Hornblower* saga.

Several weeks after the incident of the live shell, Hornblower was summoned to the flagship of Admiral Cornwallis, commander of the Channel blockade fleet, to discuss orders, which he would soon thereafter receive formally in writing, to sail alone to the neutral port of Cadiz, in Spain, to deliver dispatches to the British consul there. Upon returning by launch to the *Hotspur*, Hornblower was informed by a chagrined Lieutenant Bush that his steward, Doughty, had been charged with mutiny and thrown into the ship's brig for striking a superior officer.

Doughty, despite his lowly rank of ordinary seaman, had often taken advantage of his position as the captain's steward, regarding himself as exempt from the chain of authority that rigidly enforced discipline aboard ship and to which all officers and men of the *Hotspur* (save Doughty) gave unquestioning obedience. Doughty, although skilled and dutiful in attending to Hornblower's personal needs, was ill-suited for life in the British navy, whose stern discipline was coupled with a rough-and-tumble daily existence. Doughty's loyalty was to his captain, not to the service, which Hornblower grew grudgingly to appreciate. Himself a product of humble origins and having even now very meager resources, Hornblower was grateful for (though somewhat ashamed of) whatever small luxuries

Doughty's employ afforded him. A bond of friendship had implicitly formed between the two men, insofar as their differences in rank permitted it and despite Hornblower's inability to acknowledge the fact even to himself.

During Hornblower's absence to confer with Admiral Cornwallis, Doughty had been assigned to a working party of other seamen to take on stores aboard ship.

Taking stores on board at sea was a job for all hands, and even when they were on board there was still work for all hands, distributing the stores through the ship. Doughty, in the working party in the waist, had demurred on being given an order by a bosun's mate, Mayne by name. Mayne had swung his "starter," his length of knotted line that petty officers used on every necessary occasion — too frequently, in Hornblower's judgment. And then Doughty had struck him. There were twenty witnesses, and as if that were not enough, Mayne's lip had been cut against his teeth and blood had poured down. (p. 297)

Hornblower, who knew the Articles of War by heart, was instantly aware of the consequences of Doughty's act. Striking a superior officer, even a bully like Mayne who sadistically abused his authority, was punishable by nothing less than death upon conviction by a court martial made up of other ships' captains, several of whom were aboard ships of the fleet clustered together close by. Within the hour Doughty would be tried and condemned, and by morning would be hanging from one of the yardarms of the *Hotspur*.

As Hornblower grimly pondered the inevitability of Doughty's execution, a messenger from Cornwallis's flagship delivered to the *Hotspur* a packet of sealed orders, which Hornblower quickly opened. The first sentence read:

Sir:

You are requested and required to proceed immediately in H.M. Sloop *Hotspur* under your command to the Port of Cadiz. (p. 298)

Hornblower fixed his gaze on the word *immediately* — a word that would postpone Doughty's doom — and abruptly gave orders to set sail for the three-week voyage to Cadiz, out of sight of his fellow captains who would have served as members of the court martial. In Cadiz, however, there would be other British captains available for the same purpose.



On reaching Cadiz, Hornblower ordered Doughty's incompetent replacement, Bailey, to prepare a special meal for the consul, who was to dine with him aboard ship that evening. When Bailey stumblingly offered some thoroughly inadequate suggestions for the meal (as Hornblower knew he would), Hornblower, in feigned disgust, ordered Bailey out of his sight and testily instructed Bush to bring Doughty out of confinement to prepare a proper meal. Later, alone with Doughty in his cabin to discuss the menu and dinner arrangements, Hornblower idly interspersed comments about other foreign ships also in port—especially those carrying flags of nations with which England was not at war. He made particular note of the presence of the USS *Constitution*, which was anchored a short distance away. Hornblower then asked:

"By the way, Doughty, can you swim?"

Doughty did not raise his head.

"Yes, sir," his voice was hardly more than a whisper. "Thank you, sir."  
(p. 308)

Hornblower left and went to the quarterdeck to receive his guest, who was just stepping onto the gangway. Later, at the end of their conference in the chart room, the consul regretfully declined Hornblower's invitation for supper, urging that the *Hotspur* depart from Cadiz as soon as possible, while the tide was still high. The consul feared a one-sided encounter between the *Hotspur* and hostile Spanish warships in or near Cadiz, in view of recent intelligence revealing that Spain would soon ally with France against Britain, if it had not already done so.

As the consul was leaving, Bush nervously approached his captain to report Doughty's escape. After feigning surprised outrage and then self-condemnation for his own foolish negligence, Hornblower awkwardly changed the subject, informing Bush of their imminent danger should the *Hotspur* remain in port, and also of the tantalizing prospect of gold on Spanish ships out at sea. Thus the episode of Doughty's escape was almost immediately forgotten by the crew of the *Hotspur* amid the frantic bustle of preparations to set sail for the safety of open waters. Forgotten, that is, by all but Hornblower, who hours later sat alone in his cabin, consumed in despair and self-loathing.

He sat with drooping head, deep in depression. He had lost his integrity, and that meant he had lost his self-respect. In his life he had made mistakes,

whose memory could still make him writhe, but this time he had done far more. He had committed a breach of duty. He had connived at — he had actually contrived — the escape of a deserter, of a criminal. He had violated his sworn oath, and he had done so from mere personal reasons, out of sheer self-indulgence. Not for the good of the service, not for his country's cause, but because he was a softhearted sentimentalist. He was ashamed of himself, and the shame was all the more acute when his pitiless self-analysis brought up the conviction that, if he could relive those past hours, he would do the same again. (p. 313)

In view of his final — and to him, inexplicable — realization, it would be the worst kind of injustice to accept at face value Hornblower's punishing self-analysis. The Doughty affair does not disclose, as he supposed, simply a victory of sentiment over duty and integrity. Instead, it reveals that Hornblower instinctively knew, even though he could not fully understand, that the principles he so revered could not have ultimate probative power in guiding his actions, that all action is personal. The source of Hornblower's heroism was also his tragic flaw: his inability to comprehend that he acted better than he thought — while believing, to his continuing sorrow and consternation, precisely the reverse. Because of his morbid bent toward self-condemnation, Hornblower failed at genuine self-reflexive understanding, but succeeded in spite of himself in acting on humane instincts — instincts that in his mind he could equate only with irresponsible sentimentalism. Hornblower may or may not have made a responsible decision regarding Doughty, but it seems clear that he did *act* responsibly, but did not know it.

## NOTES

1. All quotations from *Hornblower and the Hotspur* are taken from the Forester (1962) work.
2. Although, albeit in varying degrees, all three of these writers harbored democratic sentiments, there is nothing inherently democratic about the notion of responsibility deriving from their views. The idea that administrators should be accountable to policymakers may be consistent with either autocratic or democratic governments.
3. There is a second, and subtler, aspect of the pathology of goal displacement, however, whose cause has nothing to do with the consciously self-serving motives of administrators, and whose cure cannot be found in institutional reforms or moral persuasion. The label for it is *technicism*, which Manfred Stanley (1978) describes as the prevailing attitude of modern consciousness in which technological norms and values have triumphed over those of personal authenticity and human community.

4. This idea may be grasped intuitively by reflecting on the experience of listening to someone who we sense is posturing about his values rather than authentically believing them. That is, we perceive a disjunction or inconsistency between the content of what the speaker is saying and the real reason it is being said. It is not that we judge the speaker to be deliberately deceptive or hypocritical; rather, we sense that the speaker is unaware that his words and the context in which they are spoken fail to match, that they stand in an awkward relation to one another. On these occasions, our feeling typically is not one of anger (which we *would* feel if we sensed a deliberate attempt to deceive us), but one of embarrassment owing to our sense that the speaker is not fully aware of what he is doing and saying.

5. In noting the contemporary pervasiveness of narcissism, in contrast to the principal psychopathologies of an earlier age, Lasch says that "psychoanalysis, a therapy that grew out of experience with severely repressed and morally rigid individuals who needed to come to terms with a rigorous inner 'censor,' today finds itself confronted more and more often with a 'chaotic and impulse-ridden character.' It must deal with patients who 'act out' their conflicts instead of repressing or sublimating them" (Lasch, 1979, p. 37).

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*The implementation of wastewater treatment policy in American municipalities provides a particularly useful context for the exploration of important issues in implementation research. Recent developments at the national level have stimulated the innovation of capital-intensive privatization in this sector. How this structure for implementation compares with alternatives, especially the conventional federally grant-funded route, is a question that can be explored through the use of implementation theory and can in turn help clarify and advance that theory. For instance, although top-down implementation research suggests the importance of hierarchically integrated structures for implementation success, this study shows that integration can be induced without hierarchy (as capital-intensive privatization) and that hierarchically managed structures (like the grant setting) may lack integrative capacity. Empirical research provides evidence for theoretically derived expectations that privatization can assist implementation processes in this field without sacrificing clean water output. Theoretical and practical implications of the analysis are sketched.*

## **ALTERNATIVE MECHANISMS FOR MULTIORGANIZATIONAL IMPLEMENTATION**

### ***The Case of Wastewater Management***

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**During the past few years** a confluence of forces has rendered widely salient a policy sector that had operated in relative obscurity for decades: wastewater treatment—more specifically, municipal operations on behalf of the federal Clean Water Act of 1972. Several trends have been instrumental in directing increased attention to some of the details of wastewater

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treatment: very high operating and capital costs, tightened federal regulatory standards, and greatly reduced financial support (Conlan, 1985; Johnson & Heilman, 1987; U.S. Environmental Protection Agency [EPA], 1987a, 1987b, 1988). In this context, local officials in hundreds of cities have been seeking innovative options for addressing their wastewater treatment needs. Changes in the federal tax code in 1981 and 1982 indirectly stimulated businesses to develop a new structural arrangement: the privatization<sup>1</sup> of wastewater treatment.

The issue of the relative impact of alternative implementation structures—the more conventional grant-funded mechanism that has been used for years versus the privatized option—deserves careful scrutiny by those interested in not only clean water policy and intergovernmental relations, but also the burgeoning field of implementation research. In this last case, there has been increased attention in recent years to the complex multi-organizational mechanisms used for accomplishing public goals. Differences in perspective—and some differences in injunctions for action—have flowed from this scholarly effort. Implementation of wastewater treatment policy offers promising grounds for clarifying and reconciling some of the apparently divergent findings heretofore developed. The next section summarizes and analyzes a portion of this implementation research with a view toward highlighting some important issues and sketching specific research questions; then the article analyzes the different

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*necessarily reflect the views and policies of the U.S. Department of the Interior. This research was also supported somewhat more indirectly by the Geological Survey, through a grant to John Heilman and Gerald Johnson. I acknowledge this support, as well as the assistance of these two colleagues, in the work reported here. In manifold respects, this research would not have been possible without their assistance. As principal investigators for their own national study of the feasibility of privatization, they provided substantial assistance, partly by sharing ideas and insights, and primarily by assisting in the collection of a considerable amount of data for the project. The questionnaire instrument used to gather interview information was designed collaboratively; one portion addressed questions of interest to their study, another designed primarily by me investigated implementation matters. I was able to visit four of the field sites personally, through the support of their grant. They also added cities to their itinerary, and they helped to obtain additional data from the Environmental Protection Agency (EPA). Needless to say, they cannot be held responsible for the views and interpretations expressed here. Thanks are owed, as well, to those who gave generously of their time and knowledge during interviews in various locales, and to EPA officials, especially Virginia Jones and Mike Donahoo, who retrieved information from the agency's data bases. The efforts of my research assistant, Jean England, who helped with data collection, transcription, and interpretation, are also gratefully acknowledged. Finally, I acknowledge the useful suggestions of Paul Sabatier, who as a referee for Administration and Society reviewed an earlier version of this article.*

modes of implementing clean water policy pursued in a number of locales. Conclusions are drawn about the implementation processes studied, and implications are developed concerning both the management of wastewater treatment and the subject of policy implementation more generally.

### **IMPLEMENTATION RESEARCH: DIVERGENT FINDINGS, AMBIGUOUS THEORY**

The field of policy implementation has progressed considerably since the early 1970s. The subject has attracted a considerable number of researchers, and the results of their labors have included intriguing case studies, methodological forays, explicit efforts at theory building, and even some cross-national comparisons (for a literature analysis, see O'Toole, 1986).

Yet as work has progressed, a number of gaps and limitations in the efforts to date have become more obvious. Some of the field's "conventional wisdom" can be called into question; the field has demonstrated weaknesses in cumulating and building upon its numerous discrete findings; and indeed some distinct—and to some degree divergent—approaches to the subject have appeared (see Lester, Bowman, Goggin, & O'Toole, 1987). The research reported in this article addresses certain of these questions and seeks to help resolve them.

Two basic approaches to the study of multiorganizational implementation are widely recognized in the literature: the "top-down" and "bottom-up" perspectives (see, e.g., Sabatier 1986). The former focuses on the implementation effects of central-government-controlled variables, to the exclusion or at least heavy deemphasis of other factors (e.g., Bullock, 1980; Hogwood & Gunn, 1984; Mazmanian & Sabatier, 1981, 1983; Rosenbaum, 1980). There is no question that the top-down perspective has identified influences that can be important in the implementation process.

Yet critics have correctly indicated how much of the implementation process is left unexplained by this kind of effort (see Barrett & Fudge, 1981; Elmore, 1979; Hjern & Hull, 1985; Hjern & Porter, 1981; Thompson, 1982). The bottom-up response has been to start empirical study with action at the street level and to determine through networklike analyses just what happens—what action emerges around a policy problem. (For a recent example, see Hull with Hjern, 1987.) In doing so, these analysts

hope to tap additional important variables that actually determine whether policies will work in practice.

Each approach has contributed to the stock of wisdom concerning implementation, yet tends to neglect the variables and perspectives emphasized by the other. It is important that scholars seek to integrate the strengths of both into a more coherent picture. However, one impediment is suggested by the fact that these approaches tend to generate apparently conflicting empirical conclusions regarding certain aspects of implementation.

Probably the most important manifestation of this conflict has to do with what kinds of administrative structures lead to better implementation. In outline form, the difference can be sketched simply. Top-down research suggests that "hierarchical integration within and among implementing institutions" assists implementation; some researchers claim that this point is "one of the best-documented findings in implementation literature" (Mazmanian & Sabatier, 1983: 27; cf. Pressman & Wildavsky, 1984). Bottom-uppers disagree and point to the advantages of complex, decentralized arrangements (e.g., Hull with Hjern, 1987). One reason for the impasse on this key issue has to do with a lack of conceptual clarity. There are two main ambiguities embedded in the debated proposition cited here: (1) the notion of what constitutes implementation success, and (2) the concept of hierarchical integration. Both can be clarified.

#### IMPLEMENTATION PROCESS AND OUTPUT

Much of the research literature discusses implementation success as if this concept can be understood as a single, undifferentiated notion. Yet this is not the case. Two tasks must be accomplished if policy intention is to be converted into action: The required behaviors must be induced on the part of the implementors, and these behaviors must in turn lead to the desired effect (Montjoy & O'Toole, 1979). The former is a matter of structuring and generating the implementation process per se; the latter has to do with achieving goals, and can be identified as a problem of eliciting the appropriate implementation output (the product[s] of administrative processes) and/or outcome (the overall impact in the world of action: safer highways, healthier children, or—in the case of wastewater treatment—cleaner rivers and streams [see Sabatier and Mazmanian, 1979, on the importance for the outcome of an implementation effort of its causal theory's validity]). In this study, the focus is on both implementation process and output.



Distinguishing implementation process and output helps to clarify a persistent source of confusion in the top-down and bottom-up approaches. It is quite possible that using hierarchically controlled structures, as encouraged by the proposition mentioned here, might have different effects on process and output. Theory grounded in a bottom-up perspective focuses on the importance of matching implementation structure to the complexities of the policy problem, if implementation outputs and eventually outcomes are to be satisfactorily achieved. The notion is that some policy problems may require — by virtue of their technical requirements, if not by the mandate itself — substantial “local presence” (Porter, 1976) or an “adaptive” implementation mechanism (Berman, 1978). This point is perhaps the major theme of the bottom-up critique. But it does not necessarily apply to *all* policy issues. For clearly understood problems addressable by known technologies, different implementation structures may have different effects on the implementation process while at the same time similar — and straightforwardly “successful” — effects on output. The conclusion is that both top-down and bottom-up perspectives have merit but must be applied carefully over a suitable domain of both cases and dependent variables. It is likely that the somewhat contradictory findings stemming from these two bodies of research, at least regarding output, can be partially explained by the technical requisites of the policies.

#### THE AMBIGUITY OF HIERARCHICAL INTEGRATION

Another clarification is needed; this one pertains to the key notion of hierarchical integration, which the top-downers seek and the bottom-uppers abjure. Mazmanian and Sabatier are correct that empirical support for such structures seems to be considerable. On the other hand, a number of studies challenge this point from a variety of directions. (The details of this dispute would take the current argument far afield, but see Bendor, 1985; Bowen, 1982; Durant, 1984; and O'Toole & Montjoy, 1984.)

Which of these is correct? This question misses a more basic point: The concept of hierarchically integrated structures is ambiguous and, accordingly, raises contestable claims. It refers to both structural integration (coordinated effort toward dealing with the policy problem; the opposing pole is fragmentation) and degree of hierarchy, or authoritative top-down central control. Therefore, the proposition cited earlier suggests by implication two related and equally questionable assertions: that

hierarchy necessarily produces integration (thus there is no point in distinguishing the two) and that hierarchy is the primary—or perhaps sole—method available to generate such integration during the implementation process.

Regarding the former assertion, one can point out that it may be possible to conceive of relatively integrated arrangements that are not hierarchically controlled; conversely, some structures organized hierarchically may be complex and weakly integrated. (This is especially plausible in circumstances in which a hierarchical structure is *multi-organizational*, that is, when a “lead” or central agency is provided formal authority and jurisdiction to direct or veto the actions of multiple other [public and private] units but little else in the way of integrative devices; to be discussed later.) In short, the inevitability of the link between hierarchy and integration is an empirical question. The present study employs a strategy of examining types of implementation structures that differ in their degree of hierarchical presence, to allow for a test of the commonly assumed relationship between hierarchy and integration. Thus studying implementation in this field helps to address some central theoretical and practical issues.

Regarding the implicit assertion about hierarchy as the only means of integration, one can develop a counter claim: that analysts in implementation research have conceptualized too narrowly the range of means to induce multiorganizational coordination. Hierarchy can induce or force coordinated action across multiple organizational units, but there are other modes—most prominently, exchange and normative ties (cf. Weber, 1949)—that can be as or more effective in certain circumstances. This point, and its implications for the use of incentives to induce cooperative effort (e.g., in privatization), is no news to economists—or, for that matter, to students of political systems more normatively integrated than are our own. The former have often advocated exchange over command-and-control modes of integration (e.g., in environmental regulatory issues), and the trade-offs are well analyzed in the policy literature. The latter, when examining implementation in settings like Sweden, note the key role of normative agreement in smoothing implementation processes (e.g., Kelman, 1981). The crucial issue here is that students of implementation have not focused broadly on the range of possible modes of integration and coordination in implementation settings; the result has impeded theoretical advance.<sup>2</sup>

This study is designed to help clarify these questions, to provide some empirical evidence on the issues at stake, and thus to stimulate additional

theoretical and empirical work. The discussion now turns to some aspects of the specific policy matter under review and the different types of implementation structures to be considered.

## **CLEAN WATER POLICY AND WASTEWATER TREATMENT**

American policy on clean water is fundamentally located in federal legislation, though that mandate allows substantial room for state and local participation. The Federal Water Pollution Control Act of 1972, usually called the Clean Water Act (Title 1, Sect. 101 (a), as amended), established a national goal of clean water systems by the 1980s. Water quality standards were tightened in 1981 and scheduled to take full effect in 1985 (delayed until 1988). But the basic structure of water quality regulation has stayed the same. All who discharge pollutants into the nation's waterways are allowed to do so only after obtaining a permit. The permitting process is overseen by the EPA, but in 38 states the appropriate state agency has acquired authority as the permitting body. Thus, in most locations, state-level administration is directly involved in regulating and monitoring water quality. The entire scheme is known as the National Pollution Discharge and Elimination System (NPDES). Permit specifications are technically driven, being a product of the characteristics of the waste to be disposed of, the water system that receives the effluent, and the other point sources of pollution.

Achieving clean water goals is a matter about which there is a great deal of technical understanding. Although the federal government offers financial incentives to those communities willing to try innovative technology in cleaning wastes, the major ecological and engineering questions are limited in scope and do not often provoke major debate. Technically, then, this policy matter is one of the nation's simpler ones—at least by comparison with problems such as drug abuse, poverty, or the AIDS pandemic.

However, financially speaking, the policy is a much more challenging one. For many years, the nation's primary policy instrument for dealing with this aspect of the question was EPA's treatment plant construction grants program. By 1986 approximately \$40 billion of federal funds had been authorized. As support was trimmed in the 1980s, competition among localities increased. State agencies were charged with determining priorities among the claimants. Most larger cities with severe problems

were able to receive support; many smaller ones, especially those facing growth problems or dealing with dilapidated facilities, were not. In 1987 the construction grants program began to be eliminated altogether in favor of a network of state-administered revolving loan funds. There remains some sentiment in Congress, however, in favor of a grants program, and under a new administration this policy shift may be reversed again. The relevance of any findings on implementation through the grants program is, then, of more than academic and historical interest.

During the period 1981-1986 in particular, as indicated earlier, the alternative of privatization was explored by many localities. Federal tax law changes in 1981 and 1982 made capital-intensive privatization much more feasible than it was before. When combined with energy credits and other enhancements, the new accelerated depreciation schedules and investment tax credits made this field an attractive possibility for a number of private firms—especially some with longstanding experience operating local plants.<sup>3</sup> The privatizer could offer, in effect, to split the tax savings with the city—thus lowering costs from the locale's perspective, if not from Washington's. But for those that had little hope of a construction grant—and this included many rapidly growing communities that faced regulatory sanctions—the choice seemed to be between privatizing (thus reaping a portion of the tax-saving advantages) and financing the project themselves (thus possibly spending more and limiting their bonding capacity for other projects).

The flowering of interest in capital-intensive privatization now appears to have been relatively short-lived. Further tax law changes in 1986 severely restricted the federal incentives. Prior to this policy shift, nine cities had committed to privatize, and this option was being considered intensively all over the country. Only one locale has agreed to privatize *after* the 1986 federal tax changes, however. Nevertheless, the phenomenon is well worth studying. At minimum, its effects in the privatized cities will be seen for another generation, and the experience here may presage similar moves in other capital-intensive policy fields. Second, this sort of implementation option could attract rekindled interest with further revisions in the tax code, such as those currently being proposed by advocates of increased private involvement in the nation's infrastructure activities. And third—and by far most important for present purposes—arguments have been made by privatizers, analysts, and some municipal officials that privatization is actually less time-consuming and less expensive in net terms than are conventional grant-funded projects, even leaving aside the tax question. This kind of claim has to do with arguments about the relative

performance of different institutional arrangements for policy implementation; as such, it should be amenable to analysis via the theoretical material summarized in the preceding section. In this investigation, for reasons explained later, particular attention is devoted to the question of possible time differences across implementation settings.

### IMPLEMENTATION ARRANGEMENTS FOR WASTEWATER TREATMENT

In either the privatized or the grant-funded option—and, for that matter, when a treatment plant project is financed entirely through the municipality (the self-financing alternative)—the process of regulating the quality of effluent is exactly the same. The state agency (or, in the case of the 12 states that do not have regulatory authority, the EPA) issues permits specifying standards. Monitoring is conducted by state (federal) authorities, and self-reporting is performed by local implementors. Treatment plants that violate standards can be sanctioned.

Why might one expect implementation processes to vary across these options? The reasons have to do with the structure of the arrangements for creating and running treatment plants. These processes clearly differ at the phases of implementation when plants are *designed* and *built*. Furthermore, some analysts believe that the privatized process is distinct even during the regular *operations and maintenance* (O&M) of the plant.

In grant funding, the national EPA and state environmental agencies are asked to play an additional role that is likely to involve a fundamentally different set of multiorganizational relationships, besides that of direct or indirect pollutant regulator. EPA is the granting agency and as such is asked to oversee intensively almost every detail of design, contracting, and construction. Each phase of these processes must be approved by the regulator and is thus likely to involve considerable red tape. Should any changes be desired during the process of implementation—for instance, should the builders propose design modifications as they develop experience on site—EPA (and/or the designated state agency) must regulate these through a hierarchical (authoritative, multiunit) process of overseeing change orders. The technology of treatment plant design and construction is relatively well developed. But in any large-scale construction process, builders seek alterations in the plans as implementation proceeds. EPA (and/or the state regulator) possesses hierarchical authority but little else to cement agreement and smooth the process; the regulatory agency

has a mandate to review and to take care, but the other implementing units—municipalities, construction firms, design engineers—possess little wherewithal to encourage the central unit toward speedy review. Indeed the hierarchical structure—with the regulator possessing formal authority to deny reimbursement for implemented change orders—encourages caution, extensive paperwork, and a good deal of turf protection. Given the kinds of documentation required by grant regulations, approval from the center can take a lengthy period; this feature of the structure, aimed at protecting against the lavish spending of federal dollars, can nevertheless delay construction and thus overall implementation. The upshot is continuing intensive and extensive involvement from the regulators with several parties to the implementation process: at minimum, the locality, the plant designer, and the construction company. In short, the grant-funded implementation process is structured hierarchically (through regulators), but seems not conducive to integration or speedy coordinated action.

To the extent that integration is possible in such settings, it is likely to be generated by key actors in the locality itself. One feature of the implementation context that taps both a dimension of structure and a feature of individual leadership in the implementation effort is the presence of a “fixer” (Bardach, 1977), or “reticulist” (Friend, Power, & Yewlett, 1974), or “facilitator” (O’Toole, 1983): an individual strategically located in the matrix, well-connected to the communication channels, and skillful in inducing cooperative action across organizational boundaries by using exchange and tapping normative ties. Such a person can foster integration that is not otherwise induced by the structure (O’Toole, 1988). The impediments as described in the preceding paragraph are impressive, but can be reduced by talented and well-placed individuals.

In the privatized case, of course, the source of funds for implementation is different; but so is the multiorganizational structure for implementation. Here the regulator’s position in monitoring construction is mostly eliminated. The formal authority for detailed overseeing of design and construction is not centrally located in an official monitoring unit. The role of the regulator seems replaced by two integrating forces: the market, which allows for relatively unhampered interaction among the banks, design firms, and builders (that is, exchange); and a more simplified normative environment—since once privatization is chosen as the implementation option, virtually all the organizational actors are likely to share a basic set of core values and views of the world involving speed, efficiency, and the need to maintain profit. Additional issues, like account-

ability to oversight bodies or achievement of auxiliary goals, like equity or affirmative action, are likely to be omitted from the implementation process. Thus design and construction—as well as, eventually, operations and maintenance—are all coordinated by a private firm that not only shares a normative framework with the sources of capital and the other implementing units but also has available the use of contractually enforceable exchange relations with other private units. While design and construction personnel can still have disagreements during implementation, multiorganizational structure provides both forum and motive for speedy action, including the management of several parallel processes simultaneously. Furthermore, the structure of the arrangement, with its substantial contractual incentives for coordinating efforts to produce overall results, provides an unmistakable encouragement for rapid resolution of any differences—one based upon a merging of interests through exchange.<sup>4</sup> Because of both exchange opportunities and normative agreement, privatized structures in this field can be expected to be nonhierarchical though well integrated, that is, smoothly coordinated with minimal delays.

A third option examined less comprehensively in this article, for reasons explained later, is self-financing. This alternative omits overhead regulators as active participants in these stages of implementation (and thus simplifies structure somewhat like privatization) but does not coordinate design, construction, and O&M through a private unit (and thus is somewhat like the local grant-funded setting). The basic structure is thus likely to vary greatly across local settings, depending on whether implementors are successful in generating local inducements to coordination.

The preceding paragraphs have described structures for the implementation processes of wastewater treatment. The theoretical discussion suggests reasons why one of these, the privatized setting, may offer advantages during the implementation process.<sup>5</sup> The hypothesized relationships may now be specified more precisely.

The first expectation has to do with process. Privatized arrangements in this policy sector offer substantial inducements toward integration within an overall framework that contains clear output criteria. Grant-funded settings contain hierarchical structures that mandate sustained and detailed interactions, but that are weak on integrative inducements. Therefore:

*Hypothesis 1* (on implementation process): Other things being equal, privatized treatment plant design and construction proceeds more smoothly and rapidly than do grant-funded projects.

Self-financed settings, likely to vary widely in structure, are expected to vary considerably regarding implementation process as well.

Process measures can be multiple. Several are used in this study: number of actors involved, perceived smoothness, length of time for completion of key stages of implementation, number and types of change orders.<sup>6</sup> Results are presented and discussed in the following section.

What about implementation output? As it has been suggested here, expectations depend on the technology involved. When policy technologies like wastewater treatment are known and thus output criteria can be clearly stipulated, there is less need for detailed specification of the structure. Here the bottom-up argument for the superiority of multiple organizations and complex arrangements loses its weight. Different settings, with quite diverse arrangements, can be expected to meet output criteria.

*Hypothesis 2* (on implementation output): Other things being equal, all implementation structures in wastewater treatment should produce comparable and adequate output, regardless of process differences.

In this policy field, output measures are fortunately rather easy to generate. They include items like degree of compliance with permitted effluent limits, and regulatory actions taken against individual plants.

Thus far, discussion has centered on expectations regarding how these implementation settings are likely to differ. It is also useful to consider variations within the privatized and grant-funded categories. The discussion leads to the conclusion that the privatized structure itself contains powerful integrating forces; thus, given the clarity of output criteria, one would not expect much variation across the privatized cases. For the grant-funded cases, however, the presence of a facilitator, who can induce integration "from the bottom" despite an absence of integrating structural forces, can be expected to account for some process differences. Therefore, one final notion can be advanced:

*Hypothesis 3a:* In privatized municipal wastewater treatment settings, the implementation process proceeds similarly (smoothly) in the different locales.

*Hypothesis 3b:* In grant-funded settings, those locales with facilitators experience a smoother implementation process than do those without facilitators.



## DESIGN OF THE EMPIRICAL RESEARCH

The empirical portion of this study consists of an examination of implementation processes and outputs. The unit of analysis is the municipality (or equivalent local unit) and its treatment facility project. The three types of implementation settings described here are represented: privatized, grant-funded, self-financed. However, the analysis emphasizes comparisons between the first two types, especially for the design and construction processes and for clean water outputs. The reasons are dual: theoretical importance of the structural types, plus data availability (explained later).

An immovable constraint is the small number of fully privatized cases. Since many variables can affect implementation, it is quite difficult to draw firm conclusions about what factors are at work (see Goggin, 1986). There are various ways to deal with this difficulty. The general approach here has been (1) to construct a set of cases from which the most detailed data can be drawn, based on a design that includes most of the privatized cases plus a matched set of cities that have used alternative strategies (the number of locales here is thus larger than typical for implementation studies), and (2) to supplement this information with carefully selected data that allow additional comparisons with the privatized cases. The goal has been to reduce the cases/variables problem. The discussion that follows first describes the main focus of comparison, the privatized versus matched case analysis; then the additional comparisons are outlined.

Six of the privatized cities were selected for intensive investigation, and comparable data were gathered from six matched locales. Comparison cities were selected to match the privatized instances in terms of state, approximate time period of implementation, scale of facility, community size and demographics, and water quality problems. State regulators proposed candidate facilities for comparison, but selection was finalized by the researcher.

Because of the importance of the grant-funded versus privatized comparisons for the theory developed here, and because until very recently self-financing was rare, five of the six match cities were grant-funded. The sixth was one of the few self-financed cases nationwide with some operating experience. Of the six privatized cases, two each are located in the states of Alabama and Arizona; two matched cases each were selected from these states for comparison. Additional privatized cases were in-

cluded from New York and South Carolina and were likewise appropriately matched.

To allow fuller additional comparisons, similar data were collected from two additional privatized cities in Pennsylvania and Illinois. Thus the six nonprivatized cities can be compared with the six privatized match locales or with the slightly larger group of eight. Of the two privatized sites that are not included in this number, neither has an operating plant yet on line.

A detailed, 18-page semistructured questionnaire was completed during on-site interviews in each location. The primary subjects were the local officials with major responsibility for clean water processes. In a number of locales other officials and/or representatives of private concerns like privatizers or builders were also interviewed via a less structured format. Before the visit, the survey instrument was mailed to the official. Interviews on site ranged from approximately two hours to virtually a full working day. Information was gathered on a wide range of matters related to wastewater treatment, especially implementation processes and outcomes.

Additional data were collected when possible. These were drawn from documentary materials (federal and state public laws and regulations, city ordinances, municipal and corporate records, service contracts with privatizers, reports on change orders, and records of state agencies), on-site observations, interviews with some representatives of industry, union officials, and federal and state regulators, plus EPA data.

Additional efforts at comparison are especially useful when the number of cases is small. Therefore, the following further steps were taken.

1. A comparison was attempted between privatized cities and other locales that explicitly considered but rejected privatization.

This analysis was sought for two reasons. First, the cities that privatized wastewater treatment are not representative of all locales of their size, if for no other reason than that they seriously considered this largely untested option. The additional comparison controls for this aspect of unrepresentativeness. Second, the cities that considered and rejected privatization had to turn to self-financing. Therefore, the comparison might provide some information on this option. As it turns out, this set of cities has been slower to initiate implementation, and thus it became difficult to develop sufficient data for clear analysis. However, four cities that considered privatization but opted instead for self-financing were

visited, and available information was collected. These data plus the material from the matched, self-financed case mentioned earlier largely confirm the theoretical expectation of wide variations in local patterns under this arrangement. The analyses reported next, therefore, concentrate on the privatized and grant-funded options.

2. A comparison was made within a single local administrative setting between two plants: one privatized, the other grant-funded.

In one of the privatized cases, a local agency had made nearly simultaneous choices to privatize and to use grant funding, respectively, for two needed new plants. Since facilities built at the same time and administered by the same local agency would necessarily be exposed to many of the same influences (even the builder of the two plants was identical), this pair of instances provided an ideal contrast. Both cases are included in the matched comparisons explained here. But they can also be examined on their own as a heavily controlled comparison. Some discussion of this pair of instances is included later.

3. Comparisons were developed from large EPA data bases.

The difficulties in drawing inferences from small numbers of cases are mitigated if the set of cases can be expanded. The limitations of field research, and in this case the limitation imposed by the absolute number of privatized cities, restrict the instances in which detailed data-gathering has been possible. However, an effort was made to draw additional relevant information from two EPA data bases. PCS, the main monitoring and compliance system, contains information on all municipal plants, their design and current status, effluent limits, monitoring results, and administrative and compliance actions. GICS, on the other hand, focuses on grant-funded projects and records costs, EPA grants, and dates for all significant administrative events associated with the grants process.

A freedom of information request was submitted to the EPA regional office in Atlanta, which has jurisdiction for the eight-state Southeast, to obtain data for a broad array of locales in these several states.<sup>7</sup> This information was then used to determine (1) how the privatized cases compare, at least on some summary measures of process and output, with a larger sample of plants similar except for implementation structure, and (2) whether the cities visited for more in-depth information gathering are representative, on some key measures, of a larger set of locales using similar implementation structures. (That is, the EPA data allow a check on external validity.)

## RESULTS

The results from the empirical study can be reported in sequence in terms of the three hypotheses by examining implementation process across structural types, comparing outputs, and analyzing the intracategory differences.

### COMPARING IMPLEMENTATION SETTINGS: FINDINGS ON PROCESS

There are reasons to expect the privatized process to proceed with fewer principal actors at the design and construction stages, and to take place more smoothly and quickly than with grant funding.

Measures of each item can be compared across the matched cases. Because of the small number of these cases,<sup>8</sup> the observed differences are not statistically significant, although several of the patterns are substantively significant and suggestive. The EPA data allow the possibility of statistical significance because of the larger number of cases, and relevant findings on this score are reported when appropriate.

Examining the design and construction phases of the implementation process separately is useful. During the design portion, not only were the privatized cases *not* simpler, in terms of number of principal actors, than were the other cases; the difference between the two sets of cities was actually in the other direction. Whether measured by number of parties observed as highly involved, or by the total number of participants in the design phase, the privatized settings were, if anything, a bit more densely populated. (The means were 5.7 and 8.5 for the respective privatized measures, 3.4 and 7.4 for the grant-funded instances. The result is similar if one includes measures for all eight privatized cities rather than just the six matched cases.) Besides the expected involvement of privatizers and city officials, bankers and additional technical consultants were often active in the privatized cases. One additional factor seems to have been at work in the privatized design stage: The builder was usually involved long before the completion of the design. Interviews with city officials confirm that this involvement was often a distinctive feature of the implementation process and seems to have included close integration of the design and construction tasks at the earliest stages of implementation. Indeed, some locales experienced "fast track" construction, in which building activities proceeded while design was still occurring; and conversely, construction activities and experience affected the details of

design. In the short term, this shift may have added more players to the implementation game; however, as indicated later, in the longer run it seems to have shortened the process at no sacrifice to output. During the construction process, as expected, the number of actors heavily involved in the implementation process was lower in privatized cases (with a mean of 3.5) than in the grant-funded and self-financed instances (4.5).

It seems, then, that the expectations developed earlier were somewhat oversimplified. Although privatized implementation structures do not *require* widespread participation in the design phase, there may be a greater inducement here for all the main players to become involved earlier than technically or contractually necessary. Further, given the similarities of view among all the participants, more participants do not necessarily complicate the process. Coordination issues likely to arise later are handled relatively quickly in this integrated setting.

It is difficult to measure smoothness of implementation, especially after the fact. However, efforts were made to tap this dimension of implementation process. The most direct measure was an ordinal, five-point scaled question that asked about degree of smoothness at each step of the process (5 = very smooth, 1 = very difficult). As expected, there were virtually no differences across the sets of cases during O&M, a phase marked in most cities by technical understanding and near-certain ability to control administrative and engineering processes. The design phases too showed no real differences; this was perceived as a smooth process in almost all cities visited. However, the expected kind and direction of difference did emerge for the construction period, which was measurably less smooth in several of the grant-funded cities studied (mean of 4.5 for privatized cases, 3.6 overall for grant funding).

The events in three of the five grant-funded cities in particular give weight to the notion contained in the hypothesized relationship (mean score = 2.7). These reported substantial problems arising from the relationship between the designer and the builder of the treatment facility when overseen by the regulator. The details of the interaction between these parties will not be explored here (but see Heilman & Johnson, 1988). However, it can be observed that their relationship was not structured to encourage integrated action; builders sought to bargain with designers who, insulated by the hierarchical position of the regulator that had already approved their efforts, had no real incentive to accommodate the concerns of the construction participants. Sometimes the process can work well at this stage. (Note the following discussion of facilitation.)

However, the structure of the implementation situation allows for the possibility of conflict, such as that which emerged here and substantially disrupted the process.

Data gathered on change orders—their magnitude, difficulty, and frequency—provide further support here. In hierarchical but poorly integrated settings, designers tend to view change order requests as a challenge to the quality of the original design and thus seek to defend their turf. One of the cities with substantial difficulty during the construction process experienced a total breakdown of communications between designer and builder during negotiations over change orders. Ultimately, both parties refused to continue implementing the process, and the city had to recontract, at substantial time and expense. In another of these locales more than 50 change orders were required, some involving hundreds of thousands of dollars of alterations. This case is particularly interesting, since it is matched with a privatized facility authorized by the same local government. An interview with the builder of these facilities revealed that substantial transaction costs were accrued in negotiations with the grant-funded designer. However, in the privatized case the builder and designer had complementary incentives and early agreement was reached. Nor did such problems arise in the other privatized cities. These rich qualitative data, then, confirm the more general results.

Overall, then, the evidence on process, at least during the crucial construction portion, is generally consistent with the theoretically derived expectations regarding the importance of exchange and normatively integrated structures in smoothing implementation.

What about time, a key measure of implementation process? Time is obviously of great importance in this policy sector for at least two reasons: (1) the strictness of the EPA compliance deadlines imposed on localities (and the costliness of the resultant sanctions), and (2) the direct financial costs involved in delays during capital-intensive processes. The findings on duration of implementation process are clear. In all cases where privatized cases were matched against grant-funded instances, the privatized locale proceeded more quickly through construction and also through the entire design and construction activities. The mean difference between the two arrangements was more than a year in construction time (12.8 months) and more than two years in overall time between the start of action and the onset of O&M (29.4 months). These findings translate into real dollar savings and, if output is adequate, real improvements in the quality of the nation's waters.

Additional analysis only highlights and sharpens this finding. If the privatized cases are compared to a larger set of findings from EPA data, the results are convincing. In the slightly larger set of privatized cases from eight cities (actually involving nine implementation processes during construction, since one municipality privatized two facilities simultaneously, and these had somewhat different schedules), the mean period for construction was 13.9 months (the mean period between decision to implement and actual O&M was 19.8 months). In the set of "major" plants with designs between one and 10 million gallons per day (MGD) that were built since the beginning of 1984 in the Southeast ( $N = 99$ ), EPA figures indicate a mean construction time of 38.9 months. The difference is statistically significant ( $p < .001$ ).<sup>9</sup>

An especially useful contrast for clarifying the differences between privatized and grant-funded implementation is the matched set of cases from within the single local authority. Here, the privatized case took 18 months for construction (total time elapsed was 24 months); the grant-funded case took 30 months (49 months total time). The builder ascribed the differences during the construction phase to both regulatory processes and the designer-builder relationship discussed here. These results provide strong support for the notion that implementation structure influences process, and that hierarchy is not the only or even, necessarily, the easiest mode of inducing integrated coordination—a point often ignored in top-down research.

#### COMPARING IMPLEMENTATION AND SETTINGS: FINDINGS ON OUTPUTS

Earlier, the argument suggested that different wastewater implementation settings should be able to perform satisfactorily on output measures in this field of well-known technology. Of course, given the limited operating time available for comparisons, it is impossible to generate any trend analysis. However, for the immediate past, some comparisons are possible.

The predominant conclusion to be reached is that newly built plants of all types do well in achieving mandated output. For instance, in the matched set of cities, local officials were asked how many months during the past two years their plants were not in compliance. Only one grant-funded plant and no privatized facilities experienced any real difficulties. In only one other facility (grant-funded) was there even a temporary problem meeting permit limits (the difficulty has been corrected for more

than a year). None of the facilities studied in depth for this research, including the self-financed facility, has experienced regulatory sanctions.

A comparison with compliance and enforcement data from EPA highlights the unproblematic nature of treatment processes in recently completed plants. In the set of major facilities in EPA region IV (southeastern United States) that were built between 1984 and 1986 ( $N = 24$ ), most plants had little problem meeting their permit limits. Only two facilities in the group—one grant-funded, one self-financed—exceeded limits throughout 1987. Another measure of output, enforcement actions taken by the regulatory authorities, confirms this general pattern. The data in region IV reveal few recent enforcement events since the beginning of 1987, aside from those directed at the “problem” cases just mentioned. Differences in output between grant-funded and self-financed cases in the region, whether measured by enforcement actions or by violations of effluent standards, were neither substantively nor statistically significant. In sum, the expectation of widespread compliance was upheld; and the variance in output was too low to indicate any systematic differences across types of implementation contexts.

#### **VARIATION AMONG IMPLEMENTATION SETTINGS: FINDINGS FOR PRIVATIZED CASES**

The last two subsections suggest generally that privatization may be able to ease implementation without sacrificing water quality, at least in the near term. What about the privatized cases themselves? Do differences among them suggest important determinants of implementation process and/or output? As expected, the answer is no.

The cases are more remarkable for their similarities. In all eight privatized locales, the process proceeded smoothly and very quickly, and in every case the result was one of full compliance. Thus it seems that the privatized structure itself, with its attendant set of incentives, is sufficient to account for the results.

#### **VARIATION AMONG IMPLEMENTATION SETTINGS: FINDINGS FOR GRANT-FUNDED CASES**

In the matched set of grant-funded locales, considerable variation was experienced in implementation process, as indicated by such measures as perceived smoothness and the difficulty of administering change order requests. It is not easy to account for these differences neatly, since the



sources of possible variations are so numerous. Nevertheless, one factor that seems to have affected the findings is the presence of a "facilitator" or "fixer."

All these local settings included individuals who were positioned to be able to help meld the disparate organizational units into a coordinated mechanism. But only in two cases did such an individual assume the role and act vigorously on behalf of the multiorganizational pattern and the policy goal. These were the cases in which implementation proceeded more smoothly (mean smoothness score = 5.0). It is not difficult to see why a skilled and experienced facilitator might make a real difference in a locale undergoing implementation. The grant-funded process is complex, and the kinds of difficulties that potentially can arise impressive. An official who is technically, administratively, and politically adept holds the potential to muster coordination in a setting that does not naturally lend itself to such. The privatized settings seemed less dependent on individual administrative performance since the structure and incentives provided strong inducements to smooth and rapid action.

One case is worth discussing to illustrate the point. In a grant-funded locale, a key figure in the implementation process was a city official with supervisory responsibility for wastewater treatment and other engineering-related activities. He was crucial in such telling aspects of the implementation process as packaging and preclearing change orders through the regulatory units and the designer, meeting frequently and informally with design engineers and the contractor to assist in a bit of informal "fast tracking," and lobbying local politicians to pressure state regulators for timely provision of permitting standards. This individual continues to stay involved in the operations of the plant and is currently embarking on a series of efforts to raise wages while trimming labor and energy costs over the long haul. In an interview for this research project, he volunteered that privatization structures incentives for rapid and smooth compliance, but grant-funded situations provide opportunities for local managers to tie together the many parties and to manage implementation. His generalization serves well as a summary of the empirical findings reported here.

## CONCLUSION

In this study, ambiguities in extant implementation theory were used to propose a framework and derive hypotheses concerning the impact of implementation structure on both processes and outputs. These ideas were

tested in the field of wastewater treatment. The findings reported here are encouraging in a number of respects: They lend support to the theory, provide further impetus to a broader research agenda, and highlight some practical implications. With regard to implications for theory, it is especially important for implementation researchers to attend to the full range of integrative devices possible in multiunit systems; otherwise a whole array of policy instruments that are increasingly popular in administrative circles — from privatization to loan programs to heterodox patterns of all sorts — will escape their scrutiny and analysis (see Kettl, 1987).

Implementation research can also carry implications for practice, and this study, with its focus on privatization, is no exception. Advocates and opponents of this innovation have heatedly debated its general merits. What guidance can this study provide? First, the research summarized here strongly suggests the need for caution in applying findings from one implementation setting to another. In particular, the appropriateness of hierarchically organized versus more multiplex structures is dependent on (1) the policy in question—including its technology and the ease of monitoring outputs, as well as the need for detailed adaptability at the local level, (2) the enhancements toward integrated, cooperative effort built into the system, and (3) in some kinds of settings, the presence of a skilled facilitator. Simple injunctions, then, should be viewed with caution.

Second, privatization has its advantages, and is not a mere synonym for capitulation to the forces of reaction or the status quo. However, it is important to emphasize that findings like those reported here by no means constitute a sweeping endorsement. There are four major reasons. One has to do with generalizability. Of the universe of cases examined here, most are located in Arizona or the South, areas traditionally among the weakest in support for environmental protection measures. Other regions are less receptive to privatization, and this option may be correspondingly less feasible. (Nonetheless, the findings do demonstrate that privatization can offer promise in achieving compliance even in traditionally conservative areas.) Second, this discussion fits a particular kind of context, while privatization has been advocated by its proponents for many kinds of policy problems—some quite dissimilar to this one; there is no reason to expect the argument to apply generally, for example, in sectors without clear output measures. Third, in the results reported here the outputs from differing structures for implementation have been compared in terms of only one policy goal, clean water, and only over the short run. Yet multiunit systems typically involve efforts to achieve numerous objectives, some shared by all, others of particular salience for portions of the

network; some evident early, others emerging later. Evaluating multi-organizational structures against only a single, centrally mandated, near-term criterion evidences a partial perspective—and one that weighs the top-down view especially heavily. Any full examination of the comparative effects of different settings would have to include a much more comprehensive assessment, which may well suggest trade-offs rather than clear choices among implementation arrangements. The importance of this point is especially clear when one notes that the present article documents a smoother implementation process arising, in part, from more normative agreement among the implementing units in the private sector. In other words, easier implementation of wastewater treatment may be purchased at some sacrifice to *other* norms embedded in the overhead regulatory unit and its additional policies. One obvious example is that grant-funded construction proceeds more slowly, but, more successfully, it encourages the development of new wastewater treatment techniques that may serve the public interest later. A thoroughgoing analysis of the multiplicity of goals in the clean water setting is beyond the scope of this effort but is pursued in a separate analysis (O'Toole, in press).

A final reason for caution is that choosing public or private implementation structures implies not just a pragmatic choice of instruments but also a serious question of political theory (see Moe, 1987), one that cannot be answered merely by analyzing data on process or output.

One additional practical implication should be noted. For grant-funded and other complex implementation settings, network managers or facilitators may be especially important resources and may make the difference between success and frustration. It is important for local governments to recruit and reward skillful efforts in this regard, including patterns of action that surmount narrow organizational advocacy in the interests of solving the policy problem. Thus, perhaps surprisingly, a study of innovative implementation structures nonetheless closes by emphasizing the importance of individuals—in certain settings at least. This point may be fuel for optimism that people, after all, can make a difference—even or perhaps especially in the complex world of multiorganizational action.

## NOTES

1. The term *privatization* has acquired an ideological penumbra. In this study, however, the concept simply denotes the involvement of private, for-profit entities in the execution of

public policy. A specific version of privatization is the object of investigation here. See Note 4. For an exploration and summary of public-private structures for the delivery of public services see Brooks, Liebman, and Schelling (1984).

2. Some researchers have known that multiunit structures linked together by exchange or normative ties can be nearly frictionless and integrated. The widely recognized problem is that smoothly functioning systems may pay no attention to the broader interest. Examples of each type are readily available: cartels in the exchange arena, subgovernments, or iron triangles cemented by normative ties. Regarding clean water, the possibility arises for nonhierarchically coordinated arrangements that nevertheless serve the public interest because the technology of the policy problem allows a clear and uncontroversial determination of the multiunit system's goal (enunciated by central authorities), while allowing relatively free play to the system during the implementation process itself. Even here, however, there may be trade-offs on other policy goals. See Note 3. Important analysis of such alternative modes of integration is represented in the efforts of the Bielefeld ZIF group of researchers; see especially Kaufmann, Ostrom, and Majone, 1986.

3. In examining privatization of wastewater treatment, this study investigates the most thoroughgoing version: *complete* privatization—the design, construction, operation, maintenance, and full ownership of all aspects by the private sector. Other arrangements are possible, however. For a number of years private companies have marketed their expertise in “contract operations”: running plants that were previously managed by the municipality. This variant has not been covered in the present study for three reasons. First, contract operations are in most respects very similar to privatization of services via (potentially renewable) contracts in other policy sectors. These have received a great deal of attention, whereas capital-intensive privatization has barely been studied. Second, because of practical limitations of the research design and the danger of falling victim to the “too few cases/too many variables” problem in implementation research (Goggin, 1986), it was deemed useful to limit the number of implementation options for systematic investigation to those that are most clearly distinct on the theoretical grounds elaborated earlier. And third, a separate “larger N” study of the comparative costs and performance of contract versus public operations is currently underway.

4. Proponents of privatization also offer another possible efficiency: since O&M eventually will be also managed by the design and construction firm, there are opportunities and incentives to link O&M needs to choices made during design and construction via life-cycle costing. In the coverage of implementation process in this article, attention will be directed almost exclusively to the design and construction stages. O&M is interesting in itself but is not treated for several reasons: Few privatized facilities as yet have as much as two years' experience from which an analysis could draw; O&M is largely a routine intraorganizational activity, no matter how the overall setting is arranged, and thus the theory has little to say about behavior during this stage; and the differences that could be expected to emerge have to do with overall costs in the long term. This study omits any systematic examination of costs. A separate study is now underway to address some O&M cost issues as they arise in the different settings.

5. The hypothesized advantage is limited in at least two respects. First, it is likely to occur only for policy problems for which the output criteria for implementation can be unambiguously stipulated, thus guarding against “capture” by parochial perspectives. Second, they are expected to occur only for the prime objective discussed almost exclusively in this article: clean water. To the extent that the grant-funded structure is used to achieve an

additional set of goals, it may not offer advantages; indeed, it may sacrifice other values. See next.

6. One other type of measure, project cost, has not been employed in the analysis here. The reasons are manifold, including difficulties in accounting for costs comparably across locales; the fact that projects vary considerably in their inclusiveness; and the important fact that the grants program explicitly includes an inducement for localities to opt for innovative rather than least-cost technology. Simple calculations of cost, or cost per unit of plant capacity, show the intracategory variance swamping intercategory differences. Another measure—length of implementation process, especially during the construction phase—can be considered a weak proxy for efficiency.

7. A Freedom of Information request for data nationwide is also being prepared for submission to the national offices of the EPA. A response will likely take a considerable period to generate. For the relatively limited comparative purposes to which the EPA data are being put in the research reported here, therefore, it was considered appropriate to rely on the Region IV data. There is no reason to expect compliance data in this region to range far from the national trends. For broad region-by-region comparisons that provide support for this argument, see EPA (1987b).

8. The tests for statistically significant relationships applicable to the match-case analysis are one-tailed *t* tests based on matched pairs, with each pair counting as a single case. Differences of means tests are not used because the samples are matched, not independently drawn. The implementation literature overall is virtually devoid of statistically significant findings; the reasons have to do partly with insufficient development of concepts and measures, but are more closely linked to the "small N" problem.

9. The difference between the larger EPA set of cases and the nonprivatized "match" cases studied intensively in this research, while not statistically significant, is interesting. It suggests, at least, the wisdom of the matching strategy. A considerable part of the variation may be due to some of the control variables rather than to the structure of the implementation process itself.

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*In 1968 the Israeli government began to develop a local, publicly directed, autonomous network of community service centers (Matnas) parallel to the traditional, statutory welfare bureaus. Similar claims made by both organizations over population, needs, and services to be implemented caused a domain overlap. This article is based on a long-term observation of such overlap. It describes the case and analyzes the different reactions that evolved. In some places these two organizations managed or were made to coexist. In other settlements domain overlap created a conflict. Reactions to such conflict varied from competition to cooperation, influenced by organizational environments in each settlement. The community and its representatives, local politicians, clients, and professional and lay staff played a critical role in entering such domain overlap and determining the nature and intensity of reactions to it.*

## **REACTIONS TO DOMAIN OVERLAP**

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**This article deals with a case** in which two different, locally based social service organizations made claims over the same domain. Different reactions to this domain overlap will be discussed, focusing on the role of organizational structure and environment. An overlap emerges when a new social service is established in addition to existing ones, or when an existing organization extends its boundaries penetrating a domain that currently or traditionally has been held by another organization.

The study of domain overlap among nonprofit organizations deserves special attention. Such organizations, being outside the market economy or on its periphery, must constantly demonstrate "monopoly" over a given domain. Public criticism concerning service duplication may have direct

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and immediate effects on public recognition and support. Domain overlap may therefore affect the mere existence and survival of publicly sponsored nonprofit organizations.

Social service organizations that provide state or local statutory services are at less immediate risk from domain overlap by virtue of their mandate. In the long run, however, they too must demonstrate monopoly over a domain to maintain public recognition and legitimacy.<sup>1</sup>

## THE CONCEPTUAL FRAMEWORK

In this section we shall define domain overlap in organizations, discuss some propositions concerning organizational reactions to such overlap, and briefly discuss the role of structural and environmental factors in forming such reactions.

Warren, Rose, and Bergunder (1974, p. 26) claim that an organization has to "establish a domain" or "niche" (Zald, 1970), defined as a "distinct combination of resources that are sufficient to support an organizational form" (Aldrich, 1979, p. 112). In terms of the political economy of organizations, it refers to the "money and authority which allow for exclusiveness, autonomy, and dominance" (Benson, 1975, p. 232).

Based on Levine and White (1961, p. 697) a domain overlap will occur if two or more organizations claim to serve an identical target population, relate to the same type of need, or provide similar or identical services to the public.<sup>2</sup>

A total overlap between social service organizations happens only when all three claims are identical. However, partial overlap can also be evident on the local scene as one or two of the claims overlap: when two social services relate to the same needs and offer identical services to different groups in the population or when these two organizations serve the same client group but relate to different needs, or provide different types of service. When this is the case, it can be expected that one organization may, in fact, complement the other.

Interaction between organizations increases with greater domain overlap (Warren et al. 1974, p. 43). Such interaction may yield "coordination" (through cooperation or contest, pp. 68-74), "innovation" and "responsiveness" (p. 13), although conflict cannot be ruled out. Conflict involves the "blocking or thwarting of another party" (Hall, 1982, p. 262) and if "ignored, avoided or smoothed over," competition or bargaining can be

adopted by the organizations involved, in order to overcome the dispute, (Van de Ven & Ferry, 1980).

Reactions to disturbing overlap can therefore be seen as on a continuum, ranging from cooperation to competition. Two or more organizations with overlapping domain may try to solve the conflict by cooperating (Hall, Clark, Giordano, Johnson, & Van Roekel, 1978), and therefore "contract or expand their organizational boundaries" (Aldrich, 1979, p. 225) while ensuring reciprocity from the other organization. Such a process develops only if both organizations are aware of potential or actual interdependence, and believe that each will gain, rather than lose, from such a relationship, (Stinchcombe, 1965, p. 145).

The type of reaction to domain overlap that organizations select depends on their organizational environments. Hall (1982, pp. 227-233) indicates that the "organizational—environmental transaction" is influenced by technological, legal, political, economic, demographic, ecological, and cultural conditions. These conditions can vary in their level of stability. Aldrich, developing his "population ecology" terminology (1979, only partially used here), adds dimensions such as "environmental capacity," "homogeneity," "stability" and "concentration," and hypothesizes that the larger the capacity of a locality to accommodate an organization's expansion in search of resources, the more likely the organization is to enter a conflict with similar bodies, (Aldrich, 1979, pp. 63, 74). Such a conflict can be avoided if the involved parties are, for example, forced to cooperate because of conditions imposed by a resource-providing body (Warren et al., p. 100).

The more heterogenic the environment is in terms of "similarity or differentiation between the elements of the population dealt with" (Aldrich 1979, p. 66), the more likely an organization is to locate a "vacant" domain, and thus avoid overlap.

The more dispersed (less concentrated) the environment is in terms of resource distribution (Aldrich 1979, p. 68), the easier it is for both organizations to coexist while claiming a domain raises no opposition. This prevents conflicts. Such an environment may or may not encourage cooperation by negotiating claims over domain (competition) or working together in order to agree upon a domain (coordination).

Under "liability of newness," Stinchcombe (1965, p. 149) and Carroll (1983, p. 304) indicate that new organizational forms have a higher death rate than do old organizations or old organizational forms. Aldrich and Auster (1986) suggest that "aging organizations may survive, but with decreasing vitality, and their niche becomes increasingly vulnerable to

invasion by newer forms of organizations." A new and small organization can therefore easily avoid overlap by finding a new domain or taking an existing domain from, or sharing it with, a more established, older organization.

Personnel characteristics may also have some implications on organizational adaptiveness. Warren et al. (1974) indicate that professional diversity leads to innovation (p. 99) and to higher responsiveness (p. 116), thus giving an organization the flexibility needed for supporting a claim over a domain, and for greater responsiveness to the market's characteristics, leading to the development of "activities or products isomorphic with the interests of the population served" (Aldrich 1979, p. 228).

Hirschman (1972) suggests that giving "voice" in terms of public participation in an organization will ultimately result in growing public loyalty to the organization and to the goods or services it provides. This supports the hypothesis that the broader the public participation as in an organization, the more public support this organization will have when claiming a domain.

By and large, the way organizations handle domain overlap reflects cost-benefit considerations. An organization will claim a domain, facing opposition only if its odds are calculated so that by so doing benefits are relatively higher than costs, at least in the short run, but also in the long run. This means that an organization can increase its benefits over its losses by the way it handles overlap. An organization avoids making claims in which it will lose rather than benefit.

## THE CASE

The case is based on observations made by the author while involved in two different research projects (Yanay, 1987; Doron & Yanay 1988). During the course of the research it became evident that two social service organizations existing simultaneously in different settlements in Israel were led by two different ministries into various degrees of domain overlap. The two organizations are the traditional, statutory Local Welfare Bureau (LWB) and the newly established, publicly directed local community service center (*Matnas*, in Hebrew).

A Local Welfare Bureau is a local government body that exists in all 183 local authorities throughout Israel. Based on the Social Services Act of 1958, each LWB is authorized to provide individuals and families with

a limited inventory of means-tested services, mainly financial support and a large variety of "personal social services," all prescribed by the Ministry of Labor and Social Affairs.

National regulations prescribed by the Ministry secure uniform provisions to be financially shared by the central government (70%) and the local government (30%). All services are provided by the LWB free of charge (except for institutional care). Every expenditure made at the local level, to be later reimbursed, has first to be approved by the regional or main office. (Doron, 1978). LWBs' services are delivered by a professionally trained social work staff employed on a permanent, tenured basis by the local authority, of which the LWB is a department. As such, the LWB staff, although servants of two masters (local and central government) are relatively secure in their positions (Neipris, 1981).

In 1982 the LWBs were released from their primary responsibilities for providing basic income support grants to the poor population. This responsibility was transferred to the National Insurance Institute. Immediately after this transfer of responsibilities, members of the LWB social work staff were urged by their Ministry to identify local needs among the overall population, and to initiate and develop in each local authority new, innovative programs covering new domains (Yanay & Doron, 1987). This change was needed to eliminate the stigma of serving the poor alone, and to gain local and national public support to the LWBs for future political debates.

This transition in the role and responsibilities of the LWB in the various settlements would probably have been uneventful if there had not been the simultaneous establishment of the network of community service centers (Matnas) initiated by the Ministry of Education and Culture and funded by the government. By 1987, there were 143 such centers spread over most of the country, each one alongside an existing LWB (Yanay, 1987). The original plan was for each Matnas to develop and conduct educational, cultural, and recreational activities. These types of programs were found to "burn" themselves out, especially in small settlements. Both the constant need to secure operational resources and the manner in which these Matnas were governed permitted and led them into some goal displacement. Their initial, stated goals shifted toward a broader social commitment.

Each Matnas is locally controlled by an independent public board that has the right to hire and fire staff, and to contract "in" and "out" services. The board, consisting of 11-13 nominated and elected representatives, is

legally and financially responsible for the Matnas and its operation. The Matnas executive director, a professional, is selected by the board, and is free to act according to his board's instructions in any domain needed, wanted or provided for.

Matnas funding is based on a "mixed economy." Resources are raised by selling locally produced services (i.e., baby-sitting services, hobby classes) or by franchising public or private programs (i.e., lunch clubs, illiteracy classes) the cost of which are covered by the originator or by services sold locally. This allowed most Matnas to contract for "canned" governmental and voluntary welfare programs and to franchise them as local agents in the different settlements (Yanay, 1983). By doing so, many of the Matnas ultimately acquired programs that formerly belonged to or were intended to be under the jurisdiction of the existing LWBs.

In many settlements domain overlap became inevitable because both the LWB and the Matnas made claims on and developed services for the same population, related to the same needs, and provided similar and in part identical services. For example, large families, families in crisis or in transition, families with young children, unwed mothers, schoolchildren with difficulties, school dropouts, unemployed youth and adults, new immigrants, the physically and mentally handicapped, the inhabitants of overcrowded dwellings—all were seen as target populations both by the LWB and by the Matnas in the same neighborhood.

Domain overlap does not only apply to claims over target populations, but also to the type of needs such populations present. Both the Matnas and the LWB refer to problems of the individual, the family, the group and the community—problems of adjustment to the environment, inability to cope with stresses, limited resources in terms of budget, information, contacts, and so on. Some of these predicaments were constant, a few were more pressing at different times, yet both the LWB and the Matnas tried to relate to these needs by initiating new programs in the same community or neighborhood.

This resulted in overlap of the services, activities, and programs that the LWB and the Matnas offered to the public. In most settlements both offered similar or identical early childhood programs, day care centers for the elderly, sheltered workshops, citizens advice bureaus, comprehensive projects for the aged, "street corner" work with marginal youth, and so on. As both organizations offered similar and sometimes even identical programs, they were also pressed to compete over new services to be implemented locally. For example, when governmental or voluntary funds

became available for literacy classes, immigration absorption, or retraining the unemployed, the question arose as to who would conduct these programs locally — the Matnas, the LWB, or perhaps a shared arrangement between the two?

#### THE ARENA-ENVIRONMENTAL CONTEXT

The basic organizational structure of each LWB and each Matnas and their operational principles are centrally defined by their respective ministries. Local variations within each organization stem from the different roles each of the two agencies has assumed, and the status it has gained locally. As disputes over domain arose, these factors influenced each organization's local reactions.

Reactions to domain overlap can be interpreted in terms of the role played by the respective ministries and their officials, local politicians and councillors, board members, service directors, professional and nonprofessional staff, clients, and members of the public.

The ministries called for service innovations at the local level, but their call was not assisted by additional resources nor political support. The ministries' initiatives were supposed to be implemented by using local, formal and informal helping networks, volunteers, contributions made, and service charges. Under such terms, the Matnas and the LWB were in different starting points altogether.

LWB directors were reluctant to seek any official assistance from their Ministry through its regional offices. Based on past experience or professional hearsay, directors assumed that once involved, ministry officials, confused themselves by the new initiative, would quote policy guidelines, regulations, and perhaps even increase pressure on the local service by obscurely demanding a solution to be (quoting a LWB director) "fast . . . neat and positive," with the least harm caused to the reputation of the agency.

The Matnas situation was slightly different. Once established by the Ministry of Education and Culture, each Matnas had to search for local domain, recognition, and funds. It was presumed unlikely that any prescribed ministerial policy would suit all localities. The ministry left this to be decided by a local board. Involved local people, mainly those with political inspiration, became interested in the newborn. As a multiservice agency with a new, universal and autonomous nature, it opened new hopes for local action and production.

If a concerned councillor or member of the public had any interest at all in local welfare issues he could join the Matnas board or committees and work from within. The Matnas's flexibility appealed to many. It is able to make quick adjustments based on local decision, the local implementation of which are expedited by avoiding long negotiation with government departments or local authorities. It was seen as a unique tool for exchange relationships and coproduction with other local or national organizations. Beside, having no labor union behind the Matnas made it even more attractive to local politicians. This arena, they felt, was suitable for action.

Indeed, as a department in the local authority, each LWB is also under the immediate responsibility of local councillors. However, this department, serving a selective group in the community, hardly gives politicians the right kind of exposure needed for public recognition (Kramer, 1981), nor does it allow for much flexibility and independence. It also has fewer connections with clients, with the public, and with other organizations. Its tenured, unionized professional staff did not leave much for local politicians or the public to hope for and back.

The professional, tenured staff of the LWB may have little if any inclination to induce changes. The LWBs' organizational structure and statutory backing is not immediately threatened even in a crisis over domain. Although the LWB's survival per se is not at risk, the professional social work staff of the LWB may still seek out challenges and domains, but they are under no direct pressure to do so.

Matnas survival, however, heavily depends on the resourcefulness and leadership shown the director, board members, and staff. The Matnas staff is multidisciplinary and is made up of lay people and professionals: It hires indigenous nonprofessionals as program aids and service providers. Most staff are employed on a part-time and even hourly basis; no staff member (not even its director) is tenured. Staff is hired according to the different mix of programs and activities its board decides to conduct at a given time.

Since the Matnas is based on "enrollment economy," programs must attract individuals and groups, and in most cases pay for them. A popular, attractive program may not only cover its own costs, it may also leave a surplus for subsidizing other programs. Program attractiveness directly affects future employment of those staff members involved. The Matnas staff therefore has a strong personal motivation to succeed. In order to do so, they must display interest, prove themselves skillful, and initiate new programs, thus relating to a new realm of needs or reaching out to a new

group in the population. Satisfied participants may serve as "agents" by reaching out to a larger body of participants. Successful efforts give each Matnas its customers, financial resources, publicity and legitimacy.

Unlike in the LWB, the public is deeply involved in the Matnas as consumers of services, paid or volunteer workers, and policy makers. This involvement is a cornerstone of the Matnas affairs, programs, and recognition (Yanay, 1984). To gain legitimacy the Matnas has to prove its ability to serve in various domains, some of which are sought by or even currently operated by the LWBs.

### COEXISTENCE, COMPETING OR COOPERATING

Once a LWB and a Matnas are located at the same settlement with overlapping domains, it is difficult to predict what type of reaction will follow: coexistence or conflict. A conflict may result in a variety of reactions defined along a continuum ranging from cooperation to competition.

#### COEXISTENCE

Coexistence occurs either when both the Matnas and LWB are entrenched and function only in their initial, original domain or when there is enough space for both to function, although their domains partially or totally overlap. In such cases no overlapping claims are made over populations, services, or needs to be covered. No threat nor conflict is evident.

When a professional, long-term care plan is needed for an individual or a family, it is the LWB with its substantial statutory, secured, long-term commitments that gives it an outstanding advantage. The LWB is also sheltered from any local, political intervention and may enjoy narrow, though recognized professional liberties. The Matnas does not enjoy such liberties nor is it in a position to commit itself to provide such long-term services to the public.

Those LWBs that ignored the Ministries' call to change, and maintained their traditional, narrow yet secure domains, reduced possible conflict altogether. Those Matnas that stayed with their initial objectives of providing educational cultural and sport activities avoided overlapping LWB's domain.



It is evident that the larger the population and geographical area, and the more heterogeneous a settlement, the easier it is both for the LWB and the Matnas to adhere fully to their original, stated goals. Even if there is domain overlap, the size of the settlement and the diversity of the population leave space for both organizations to coexist, having neither contacts nor conflicts.

In the case of partial overlap, the LWB and the Matnas may even complement one another. A partial overlap occurs, for example, when two social service organizations serve the same group of old people in the community, but one supplies hot meals and the other offers transportation. The two organizations partly overlap but also complement one another. When two social service organizations provide literacy classes in one settlement, and one organization runs its programs in one neighborhood and the second in another, or at a different time of the day, these social service organizations complement each other while each maintains some monopoly.

In politically sensitive settlements and recognized development areas, domain overlap is considered less disturbing. The fear of lacking adequate services dominates an attitude according to which "the more invested in such settlements the better"; therefore overlapping organizations are under less pressure to change. However, when domains are threatened, a conflict can emerge.

## CONFLICT EMERGENCE

Conflicts arise when both the LWB and Matnas make claims over population, needs and programs in a settlement that is not large enough, or despite its size tends to be homogeneous. A conflict may also arise when both organizations compete for the same resources. The higher the risk of losing resources or recognition, as perceived by those heading the two organizations, the stronger the conflict.

If conflict is too risky, the Matnas and the LWB will try to avoid it. The more confident a service is in its ability to secure domain and the more its demands are supported by clients, members of the public and local politicians, the sharper the conflict will be.

Since the LWBs were the first to operate in all settlements, the public support for such claims made by them depends on the recognition each LWB has in its community. A LWB is likely to have such support only if it has previously proven to be professional, effective, and sensitive in

responding to local needs and predicaments. In reality most LWB serve only a small, selective group in the community and lack recognition from the general public and from local leaders. When asked, LWB's clients preferred not even to report that they were served by the LWB. They wished to be served by a less selective, less stigmatizing service (Yanay and Doron, 1987).

If councillors are both in the LWB public committee and on the Matnas board, they may help prevent a conflict, or try and solve it. Their involvement in both services helps, and even forces them to do so.

There is an additional personal bridge. Directors of both organizations who belong to the same profession (usually social work) or know each other socially tend to resolve domain crisis before it emerges. They cannot tolerate a conflict without their personal or professional relationships being affected.

A frequent solution used by a Matnas to smooth out a conflict over domain is the co-opting of the LWB director (or senior staff) into the Matnas board, so that the conflict ceases to be argued from the outside (Yanay, 1982). Some conflicts are thus solved by cooperation.

## COOPERATION

Cooperation may either be forced upon two or more organizations as a condition for receiving resources, or it can develop when an organization finds that in terms of cost benefit, a conflict is too demanding and risky. Cooperation usually takes place when the LWB or the Matnas realizes that it will yield higher returns than costs. Costs and benefits, of course, are not only financial; they include public recognition and the ability to operate freely while minimizing future risks.

Cooperation between the LWB and the Matnas takes on different forms. Cooperation may involve sharing one service that specializes in its claims over population, needs, and programs. It may also take the form of sharing information, budgets, personnel, facilities, or contacts. Cooperation may consist of agreeing as to which of the two organizations will conduct what program, at what time and location, who will employ what type of staff, who will reach out for clients, inquire or apply for resources, who will use what facilities and when. The type and scope of such cooperation is unique to each settlement at a given time, and may change as time passes and circumstances change.

In a case where the LWB received only partial resources for one of its initiatives, by cooperating with the Matnas, the LWB could complement

the missing resources. It could also reach out, using the Matnas connections, to a potential group of participants needed to complete a required client quota for initiating a new program. In other cases, allocations were given to the Matnas for a specific program provided a qualified social worker supervised it. In such cases, the LWB would be asked to cooperate by sending one of its staff to supervise professionally that program in the Matnas. If no other interferences followed, such cooperation was often welcomed.

By cooperating, the Matnas gains having the LWB's professional and skillful staff enrich its contacts and recognition. The Matnas also gains professional knowledge, information, and insights. Cooperating with the Matnas, the LWB benefits by being linked to (or even housed in) a nonselective, unstigmatizing agency, seeking out new groups of clients in its efforts to enlarge its nonpoor clientele, and expanding some of its broadening welfare services.

## COMPETITION

Competition between the LWB and the Matnas will usually concern resources (mainly for new initiatives) and local, political support. Competition may also relate to clients and provision of services. The more similar the services offered to the same clientele, and the smaller the settlement, the stronger the competition. Recently, early childhood programs and services for the aged have been in the heart of competition, mainly in small, homogeneous settlements. In settlements where human resources are scarce, competition may also apply to trained personnel needed by the two services.

Matnas and the LWB directors may be under pressure to compete over resources or to establish a domain. Such pressure can stem from within and from the outside. Pressure can be started by demanding clients, unsatisfied staff, motivated board members, pressing local authority or ministry officials, encouraging competition.

For doing so, both organizations are called to establish a fact. They may both use a "foot-in-the-door strategy" in acquiring a new domain by informing the public about a program and even starting it without preparations. When this is the case, competition builds and efforts to establish a domain may include defaming the competitor by claiming it provides poor, unprofessional, or unethical services.

Even under "declared" competition, there is usually also some type of relationship between staff workers of both organizations, especially

among those at the "front line" in charge of the day-to-day operation of the disputed programs (for unwed mothers, the aged, or early childhood programs). Those staff members find practical ways to cooperate even without their administrator's knowledge.

Members of the same profession may find it justified and useful to discuss topics and cases with colleagues, even if employed by competing organizations. They feel that their commitment to clients and to their professions is stronger than that to their employers. This phenomenon also applies to volunteer workers who see the community and not the organization as their concern. Such volunteers may even make public demands to overcome conflict and competition, urging local politicians to get involved.

Indigenous, nonprofessional paid workers who are either employed in the LWB or the Matnas (i.e., homemakers and helpers) are not likely to share such efforts to bridge the conflict. Fully identified with "their" organization, they may even sharpen such competition, affecting personal relations in trying to make a case for their organization.

Needless to say, as in any other competition, clients may benefit from improved facilities and services as has been the case in more than a few settlements.

## SUMMARY AND DISCUSSION

This article deals with domain overlap between community service centers (Matnas) and local welfare bureaus (LWBs) located in the same settlements.

Domain is defined here as organizations' claims over population, needs to be covered, and programs for doing so. It is argued that organizations under domain overlap may coexist or conflict. Reactions to a conflict may vary from cooperation to competition. The way an organization reacts to domain overlap is partly determined by its organizational characteristics, but mainly by the environment in which it operates and the relationship it has with this environment.

The LWB is a local authority's statutory service, providing traditional means-tested assistance as well as specialized personal social services administered by a qualified, tenured, unionized social work staff. The Matnas is a local, publicly directed multiservice agency providing educational, recreational, and social services. It employs program-related, non-

tenured lay and professional, and paid and voluntary staff. The local community is highly involved in the Matnas as consumers of programs, service providers, and as decision makers.

The fact that each new local Matnas is an independent organization with no predefined objectives, tradition, or routine urges each Matnas to search for a domain and compete for it locally for its survival. Headed by a local public board, each Matnas is in a position to accept responsibilities (even on a short-term basis), and bring social programs from the outside and integrate them locally, assisted by the informal helping networks in the settlement. The freedom of action of each Matnas is reinforced by its ability to employ a multidisciplinary staff with built-in incentives to succeed.

An LWB is unlikely to initiate a domain overlap. Its secured, professional niche does not encourage such action, and few LWBs would have the public or political support needed to claim an additional, new domain. It is usually the new Matnas that takes such steps in search of a domain to secure itself, expecting support from the wide participant body. The local population tends to be more involved in the Matnas as consumers of services, paid or voluntary service providers, and decision makers. Due to such participation, the public is likely to be loyal and supportive to "their" Matnas when under domain conflict, rather than with the "stigmatizing" other service.

Politicians' interests mirror those of the public. Since there is usually limited support by the public for the LWB, local politicians are likely to support the Matnas when a conflict over domain arises. They may even provide the Matnas with connections, information, and resources assuming that the Matnas, unlike the LWB, is in a position to acknowledge and reward the politician in return.

It is evident that even if located in one settlement and overlapping domain, the LWB and the Matnas can coexist without any conflict, provided funding comes adequately and independently from different sources, legitimacy and recognition is secured, and the settlement is big enough to accommodate two competing services or is small and socially heterogeneous.

In some settlements, regardless of size, where there is only partial domain overlap, competition can be avoided and, in fact, both organizations may complement each other. More explicitly, planned cooperation will take place if a resource provider demands it, or when competition is perceived to be too costly or damaging personally, professionally, or organizationally to the people involved.

Even when their organizations are in conflict, the more professional directors and staff (especially if belonging to the same occupation) the more they will unofficially exchange information and coordinate activities, exchanging information relating to clients or families. On the other hand, paid indigenous, lay workers may identify more with their employing agency rather than with their clients, thus "sharpening" a conflict.

In contrast to Hage and Aiken's (1967) findings that a greater degree of professionalism in an organization leads to a higher rate of program change, our observations indicate the opposite. It is the unspecialized, multiprogram organization and the less professional, yet motivated, staff that is able to change more effectively and efficiently when needed. It is the unidimensional, highly professional organization that has difficulties in challenging local claims over domain, and is likewise unable to change, grow, and benefit as a result of such a challenge.

Our observations indicate that new, "cut to size" Matnas are effective in acquiring domains due to its autonomous, active image, appealing to councillors, politicians and concerned people. Untenured staff motivated by its own achievements adds another, new dimension to observations made into domain overlap between service organizations.

Whereas recent observations made in the United States indicate that "Service agencies attempt to shift some of the cost of services to other organizations through dumping clients" (Hasenfeld, 1985, p. 73) our observation indicates the opposite: Organizations are more likely to compete over domain in order to receive scarce resources and gain recognition needed for current or future survival.

The time and personal factors have not been emphasized enough. Reactions to domain overlap have their own dynamic. As time passes or actors change, two local services may continue to compete over some of their claims but begin to cooperate regarding others; competition over a claim may, over time, change into cooperation. Claims over domain, availability of resources, organizational structure and environment also change over time. Such a dynamic deserves further investigation.

## NOTES

1. Regarding domain overlap in either "positive" or "negative" terms is superficial and ungrounded. Such views are heavily based on the assumption that population, needs or services are finite, and one organization can cover them all successfully. Another assumption

is that if two organizations overlap, substantial resources and effort are wasted. These assumptions drive social service organizations to claim monopoly and avoid domain overlap.

2. It can be argued that based on empirical evidence, such claims over population, needs, and programs may be interrelated. Serving a given population may not only define the clients, (i.e., rape victims or totally dependent, mentally handicapped infants) but will also indicate specific needs and services to be provided. A given service may be geared both to cover a given need and to the population it claims (AIDS screening, Women's Refuge, etc.).

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*Robert Denhardt has made a unique contribution to organization theory. Drawing on depth psychology, *In the Shadow of Organization* (1981) lays bare the hidden religious underpinnings of organization as cultural symbol of the denial of death. In exchange for the magical, protective embrace of the organization, however, we unconsciously submit to domination and abdicate responsibility for our actions. Only by using the dynamite of "negation" and Critical Theory, argues Denhardt, can we explode the repressed truth: Our toleration of instrumentalism and domination is a form of faulty self-knowledge, of bondage to hypostatized powers. This article probes the strengths and weaknesses of Denhardt's "theology" of organizational life. It contends that Denhardt's religious orientation—once four important limitations of his Critical Theory are recognized—should be accepted into the mainstream of organization theory.*

## *IN THE SHADOW OF DEATH* *Robert Denhardt's Theology* *of Organizational Life*

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**Rarely has a work as elegant as Robert Denhardt's *In the Shadow of Organization* (1981) entered the dry literature of organization theory, a body of knowledge whose bleakness is rivaled only by the dismal science of economics. For sheer gracefulness of writing, for informed argument, Denhardt's slim book—it is only some 150 pages long, including a lengthy and valuable bibliographical essay—can be described only as a gem. To read Denhardt is to observe a creative mind unfolding in the process of forging a bold new Critical Theory, in the process of tackling the "elephantine problem" of organization theory, which Dwight Waldo had almost despaired of solving years ago.**

It is not surprising, therefore, that theorists as diverse as Orion White, Vincent Ostrom and Waldo himself have praised Denhardt lavishly. "A

ground-breaking book," wrote Orion White. "His argument could become the beginning of a standard interpretation." William G. Scott pronounced it no less than "an essential prelude to the necessary reform of modern organizations."<sup>1</sup> In Denhardt, the long-heralded promise of Minnowbrook was at last approaching fulfillment.<sup>2</sup> With this "masterful" (Schwartz, 1985, p. 33) study, Denhardt jumped to the front ranks of organizational theorists, and, by 1987, was elected president of the American Society for Public Administration.

Yet, for all its eloquence, for all its penetrating insights, Denhardt's Critical Theory—I will argue here—is at the same time flawed in four ways. Flawed in its single-minded focus on the "organization" as the principal repressor of man, flawed in its promotion of the "face-to-face encounter" as the "essence of freedom," flawed in its overvaluation of "communicative competence," and flawed in its apotheosis of "play." I will argue, in short, that the dream of Denhardt's bold new Critical Theory cannot be fully realized.

These are harsh words leveled against a book that gives much food for thought, a beautifully written book. Therefore, I want first to appreciate its composition and, especially, to single out the unique contribution Denhardt has made to advancing theory, to bringing us one step closer to the solution of the "elephantine problem." A contribution that puts all future organization theorists in his debt. A contribution that cannot be ignored.

## AN APPRECIATION

*In the Shadow of Organization* is not just another jeremiad against the evils of positivism, along the lines of the now familiar phenomenological attack (June, 1986, pp. 71-73). It is also not just another clarion call for the possibilities of human communication free of domination, as urged by the European critical theorists. It is all this and more. While standing on the shoulders of the phenomenologists and critical theorists, Denhardt sees a promised land beyond even their ken. An earthly paradise where we may exceed the limitations of the human condition, may shed external and internal constraints—become "whole"—and, through "enlightened action" or "praxis," transcend the repressive nature of the organization in acts of personal heroism. By the end of days, when his Critical Theory is brought to fruition, Denhardt (1981) suggests that he can release us from bondage not only to hypostatized powers—to dead ideas—but to death

itself. In his eschatology, he calls on us to adopt the "heroic stance": The stance of the hero who faces the terrifying cosmos alone, without fear or anxiety, for whom "death is no longer a problem" (p. 120).

*In the Shadow of Organization* is first and foremost a religious tract—what its author terms "a 'theology' of organizational life" (p. 33)—and only secondarily a critique of organizational theory. Denhardt wants to explore spiritual and existential questions that fall outside the borders of the conventional sociological imagination. His argument is philosophical, not empirical; he has written a meditation on the metaphysics, not the sociology, of organizational life. At heart, Denhardt is more a prophet than theorist, more a seer than social scientist. (It cannot be accidental, for example, that Denhardt (1981) chooses to quote Ecclesiastes in the epigraph to his first chapter, and Proverbs in the epigraph to his last.) "The rationalized certainty of organizational society can never permit us transcendence," he writes. "For that we must look to the world of the irrational, the world of the spirit. In the deepest sense, therefore, we must not put our faith in organization" (p. 96). Sprinkling words and phrases like *suffering*, *our basic spiritual condition*, and *salvation* throughout, Denhardt's "theology" teaches us that "organization has to ask that we *believe* in organization, not only instrumentally but spiritually as well. But organization is not equipped to handle the strain of the spirit and its demand for everlasting life" (p. 82).

It is at this point in his argument that Denhardt (1981) makes his greatest contribution to organization theory, a contribution so important that—withstanding my later criticisms of him—I believe all future theorists must take it as their starting point. Anticipating the call of White and McSwain (1983) for theorists "to see the world of formal organization as an expression of the human psyche" (Denhardt, 1981, p. 297), Denhardt argues that organization serves a hidden but profound religious function. No matter how ostensibly secular our Western society is, organization offers an alluring (but, Denhardt contends, ultimately false and dangerous) answer to our spiritual needs for everlasting life, for immortality. The rationalist, scientific, bloodless, value-free, objectivist facade of organizational life covers up the worm at the core of the human heart: our unmitigated terror of death. We die. But for us to live with the knowledge that we will die, we must *confidently* deny our mortality through the powerful symbols of culture, through the permanence of what Norman O. Brown (1959) has called "time-defying monuments" (p. 286), through the superstructure of civilization. Culture is the issue from the human struggle against time, against history, against death. "We depend on culture to

provide what our physical bodies cannot—life after death” (Denhardt 1981, p. 12).

For many Westerners, living without the solace (Freud would say “illusion”) of traditional religion, organization entices us as a cultural symbol of permanence, of indomitable strength, of everything Weber called “rationality.” In an America that William James (as far back as the Gilded Age) saw as being capable of truly worshipping only the “Bitch Goddess Success,” the organization promises freedom of action without guilt, the exercise of power without restraint, personal invincibility, and a sophisticated hierarchy of statuses and roles that serves as a vehicle for the transcendence of existential solitude. “The logic is simple,” writes Denhardt. “If we obey, we may participate in the immortality of the group, thus satisfying our most basic human longing” (Denhardt, 1981, p. 87). Or, in the words of Ernest Becker (1975), “From the beginning of time, the group has represented big power, big victory, much life” (p. 36). Kierkegaard taught us that human beings are shivering bundles of anxiety cast adrift in the cosmos without an anchor. Afraid of being alone in the dark, we desperately seek to embed ourselves in a power larger than ourselves; we crave a haven in a heartless world. Thus it is that “bureaucracy, as a mental construct, expresses reified defense mechanisms against anxiety” (Diamond, 1984, p. 197).

Organization envelops the individual psyche in a warm, maternal, all-forgiving, all-knowing, all-“rational” (in Herbert Simon’s [1957, p. 198] approving term) embrace. Without organization, Simon seems to be saying, we are stuck in “bounded rationality,” in a condition of weakness, of pathetic infantilism. Organization gives us a haven in the cosmos, and allows us to master our environment. When we probe the depth psychology of Simon’s rational model, we realize that the omnipotence unconsciously embodied in the organization isn’t all bad: Who can turn down an offer of immortality? The rub, says Denhardt, lies in the terrible price exacted of us by the organizational “ethic” (p. vii) in exchange for its magical, protective embrace, a price that Simon’s rational model does not address. What is this terrible price? Nothing less than the suffocation of human choice, the abandonment of personal responsibility. “In seeking control, we have lost control; in seeking power, we have lost power” (Denhardt, 1981, p. 36).

To the extent that we adopt the instrumental rationality of organizational efficiency, we will be preoccupied with ends rather than means, with treating human beings as objects rather than subjects, “as tools to be

used or data to be manipulated" (Denhardt, 1981, p. 93). Recently, Douglas LaBier, a psychoanalyst and senior fellow at the Washington Project on Technology and Work, graphically described the diseased ethic of organization man, even outside the workplace: "People . . . are treated like commodities—to be used and discarded. One young man told me: 'I treat women like you would a can of soda: you consume it, and you crush the can when it's empty and throw it away'" (from an interview with LaBier in U.S. News and World Report, April 29, 1985, p. 74). Instrumentalism necessarily implies a distinction between subject and object. "In order to achieve control," writes Denhardt (1981), "persons must be treated as objects" (p. 101).

But the price we pay is even more terrible than this: The unintended consequence of domination through the organizational ethic reifies the way we think of *ourselves*, dissolves our *own* subjectivity. By treating others as puppets (or cans of soda), we start "to rationalize more and more of our own lives. We come to distrust our own capabilities and depend on others for guidance. . . . We not only lose touch with others (and they with us); we lose touch with ourselves . . . our capacity to experience the world subjectively, as a place in which our own actions count" (Denhardt, 1981, p. 68). This, then, is one meaning of the "shadow" cast by organization, in Denhardt's memorable title: "The interest of science and organization in regulation and control [is] applied to human relationships as well as physical objects" (p. 41).

If conflict between the organization and the individual is inevitable, can we find a way out of what Max Weber called the "iron cage" of organizational domination? As posed by Denhardt, the question is: Are there "possibilities for growth, creativity, and indeed *choice* which may still be found in systems based on a concern for stability, control, and regulation?" (Denhardt, 1981, p. 67). For Weber, the answer was no; and for this he was condemned (mistakenly) by some as an apologist for the existing order.<sup>3</sup> For Denhardt the answer is also no: We cannot come to terms with the organization; we must transcend it in acts of personal "heroism."

Denhardt praises phenomenology for helping us remember that the "facts" of reality are socially constructed, nothing more than epiphenomena of human consciousness. But he insists that phenomenology helps us only to interpret the world, not change it. He reminds us that "in organizations, as elsewhere, people dominate and people submit to domination. It is at this point," Denhardt writes, "that the phenomenolog-

ical perspective can take us no further" (p. 108). We are trapped by reification, by repression, in the cul-de-sac of false consciousness. Hermeneutics is no guide out. "Phenomenology cannot take the next decisive step: to see to determine whether [the meanings people attach to their actions] are freely chosen" (Denhardt, 1981, p. 108). Only by using the dynamite of "negation" and Critical Theory can we explode the repressed truth: Organization man's toleration of purposive-rational action and the instrumentalism and domination it implies is a reflection of faulty self-knowledge, of bondage to hypostatized powers.

For Hegel, the purpose of philosophy was to release us from bondage to hypostatized powers, to dead ideas. The young Marx insisted on "relentless criticism of all existing conditions" (quoted in Harmon & Mayer, 1986, p. 318), especially the conditions that led to commodity fetishism, to treating human beings as objects. "Critique," writes Denhardt (1981), is more penetrating than phenomenology because it "permits us to see relationships of dependency and submission which have previously been concealed" (p. 113). Ceaseless critique (*negation*) of existing social conditions emancipates us from the deadening effects of reification on our capacity for choice, on our aliveness (Denhardt & Denhardt, 1979, p. 118).

Although not explicitly stated, the starting point of Denhardt's Critical Theory is neither the organization nor the individual, but the "face-to-face" encounter—what Alfred Schutz and Michael Harmon have called the We-relationship,<sup>4</sup> "Sharing ourselves with others . . . [in] . . . acts of pure communication provide[s] a sort of bonding, one clearly at odds with the ethic of the organization," writes Denhardt (1981, p. 129). The context of these "acts" is the intersubjective nature of the self: "Self-reflection only occurs in a social context; the essence of freedom," Denhardt maintains, "resides in the process of interaction with others" (1981, p. 126), resides in the face-to-face encounter.

But what exactly are "acts of pure communication?" Following Habermas (1976, p. 93), Denhardt believes that communication (i.e., face-to-face encounter) can only be "pure," can only be free, when it is devoid of power distortions. To engage in critical self-reflection—"praxis" or "enlightened action"—we need other people to converse with us in ways that are not dominated by the power asymmetries inherent in superior/subordinate relationships. "As long as one party holds greater power in any dialogue, the resulting communication will prevent . . . consensus," says Denhardt (1981, p. 63). By tearing down power structures, critique produces the ideal speech situation of "communicative compe-

tence," conversation free of power distortions. It is through communicative competence and *only* through communicative competence that Denhardt sees any hope for our salvation. All other communication, we may say, is *incompetent*.

Valuable though it may be, critique itself "is not enough" for Denhardt (1981, p. 124). The problem with critique, he says, is that it is still "too close to a cognitive explanation. . . . [It] has failed to take the final step toward a more activist stance" (p. 115).

The prophet Denhardt (1981) now emerges from the academic robes of organizational theorist. What is this mysterious "more activist stance?" It is the stance of the "hero," a stance that allows us to "begin to sense ecstasy, even transcendence" (p. 127). Redressing what Scott and Hart (1973) have termed the "neglect of metaphysical speculation" in organization theory, Denhardt (1981) adopts the vocabulary of religious prophecy as he preaches his vision of the end of days. What is the "heroic stance?" Nothing less than a Dionysian return to an unrepressed, pre-symbolic, precultural condition "beyond the limitations of either/or—either self or society—and into a realm in which all things are one" (p. 122). This is the realm of the Id, the realm of the unconscious, where there are no borders, no restrictions, no self, no society, where there is no "no." The hero, according to Denhardt (1981), is one for whom "death is no longer a problem. [He] embodies the ultimate reconciliation of life and death, and in that act represents the greatest achievement of mankind" (p. 120). In the promised land of communicative competence, joy will be eternal and play apotheosized. Denhardt envisions a paradise on earth where the sweat of our brows will be transubstantiated into wine, where "work will become play" (p. 125). On this Dionysian note, Denhardt brings his eschatology, his "theology" of organizational life, to its apocalyptic close.

#### FOUR FLAWS

What can we say about someone who has made a truly significant contribution to theory—by identifying the psychological and religious underpinnings of organization as cultural symbol of the denial of death—but who has not grasped its tragic implications for man? About someone who merges the most important problem of religion and philosophy—

death—into the core of social science (where it belongs), but who has drawn a conclusion that does not tally with his insight?

Let me now linger on where Robert Denhardt has gone astray, on why I am persuaded that elements of his “theology” of organizational life are flawed. After appreciating his contribution, I want now to examine four subthemes in his Critical Theory:

- “Organization” is the principal repressor.
- The “face to face encounter” is the “essence of freedom.”
- “Communicative competence” offers the possibility of salvation.
- When “play” is apotheosized, death will no longer be a problem.

### ORGANIZATION AS REPRESSOR

For Denhardt, most (perhaps even all) of human evil can be attributed to the cancer of the organizational ethic. Organization is a “psychic prison” (Morgan, 1986, pp. 199-231). The ethic attacks our hearts and our minds through the insidious unconscious process of reification. Denhardt (1981)—perhaps because he spends much of his day thinking about organization—focuses single-mindedly on the organization as the principal source of our problem, as the enemy that attacks us from the outside, subverts us from the inside, and eventually enslaves us in the “iron cage” of bureaucratic domination. This is the gravamen of his charge: “Modern organization arose as a technique for regulating the idiosyncratic behavior of individuals, a way of limiting the excesses of the personality” (p. 67). At its roots, the fault lies *outside* us in the thing called “organization”; therefore, to remain human, we must transcend the organization in acts of personal heroism. If reification imprisons us in the web of instrumental rationality, in the “iron cage,” then, maintains Denhardt, “the first step in altering societal or organizational conditions may be just to suspend our belief in them” (p. 107). Organization, after all, is “a technique for regulating the idiosyncratic behavior of individuals, a way of limiting the excesses of the personality.” Organization, as reified, is the repressor. Dereification, therefore, will lift repression off us: Dereification *is* unrepression.

But by his single-minded focus on organization as repressor, has not Denhardt minimized the agency of the active self in creating its *own* limitations, its *own* repressions? “Every human being,” wrote Otto Rank,<sup>5</sup> “is . . . equally unfree, that is, we . . . *create* out of freedom a prison.” Ernest Becker explains that



Rank was criticizing Rousseau's vision of man as born free and then put into chains by training and society. Rank understood that in the face of the overwhelmingness of the world, the child could not out of himself muster the authority necessary to live in full expansiveness with limitless horizons of perception and experience. (Becker, 1973, p. 62).<sup>6</sup>

As one way (among *many* culturally sanctioned ways) of denying the horrible truth of our helpless condition on this planet, in this hall of doom we call life, we gratefully embed ourselves in the womb of the organization as a safe haven, as a power larger than ourselves, as a cultural symbol of immortality. To live confidently, without anxiety, we must *partialize* the incomprehensible mystery and totality of the cosmos by breaking it up into small pieces—which, Becker writes, psychoanalysis calls “transference objects”—bite-size chunks of reality that become the loci of our terror of life and death; objects that we hug to ourselves for dear life; objects to which we give slavish devotion; objects we are terrified of losing. Another name for this partialization process is repression. Human action would be impossible if we did not deny our fundamental impotence and aloneness in an uncaring cosmos.

“Organization” is mere epiphenomena of human consciousness. It is an *unworthy* object of transference, but it is *not* “a technique for regulating the idiosyncratic behavior of individuals, a way of limiting the excesses of the personality.” Organization is not the major repressor of man. What Freud, Rank, and Becker have taught us is that the repression of the “excesses of the personality” is self-induced. If we did not have organization to repress us, to make us forget our cosmic helplessness, would we not have to invent other repressors to deny death? As Rank (1945) notes, “We should all have to create within ourselves the denials, limitations and hindrances which we need for balance” (p. 197).<sup>7</sup> *The origin of repression is in human beings, not society.* Moreover, the tragic message of psychoanalysis is that living without repression, without reification, is impossible, that it is repression and only repression that makes us truly human. “Where id was, there ego shall be” (Freud, 1932/1966, p. 544). Where unrepression was, there repression shall be. Civilization is a struggle against the unfathomable mystery of creation, against time, against history, against death. Civilization is collective repression and social amnesia. Freud (1914/1959) never tired of repeating that “civilization is based on the repressions effected by former generations, and each fresh generation is required to maintain this civilization by effecting the same repressions” (p. 346).

Incredibly, just a few pages after writing that organization is to blame for the regulation of "the idiosyncratic behavior" of man, for the repression of "the excesses of personality," Denhardt (1981) approvingly quotes Ernest Becker without realizing that his own thesis, one of the major pillars of his Critical Theory, has been shaken: "The terrible conclusion that we draw from Freud's work is that the *humanization process itself is the neurosis*: the limitations of experience, the fragmentation of perception, the dispossession of *genuine* internal control" (p. 79). The sociologist Philip Rieff (quoted in Becker, 1973) has written tellingly that "character is the restrictive shaping of possibility:" too much possibility leads to madness, too much restriction to resignation. "The chilling reality behind this truth," writes Becker (1973), is that "*without* character traits there has to be full and open psychosis" (p. 66). Without reification, without repression, we must necessarily be filled with the same fear and trembling that paralyzed Kierkegaard and drove Kafka to starvation. Condemned to face the truth, we will go mad or despair.

The "regulation" of the organizational ethic comes *on top of* our own self-regulation; to adopt Marcuse's term, it is "surplus repression" (Marcuse, 1962, p. 32), surplus reification. The purpose of psychotherapy, Breuer and Freud (1895/1957) wrote in *Studies on Hysteria* (p. 305), is to transform neurotic misery ("surplus repression") into common unhappiness. "Life is divided into the horrible and the miserable," the great psychoanalyst Woody Allen said somewhere in the film *Annie Hall*: "Horrible is having to live in a wheelchair for the rest of your life. Miserable is everything else."

Full awareness of the tragedy of the human condition—namely, that culture, science, civilization, and organization all cannot make us count for anything more than food for worms when our time comes, that the world (as G. K. Chesterton said) is the "wrong place," that we spend 60 or 70 years on this planet learning what it means to be a human being and then (as Malraux saw) are fit only for death—signifies that full awareness of the truth can be fatal to confident human action. "We cannot repeat too often the great lesson of Freudian psychology," wrote Ernest Becker (1973) in *The Denial of Death*: "Repression [of truth] is normal self-protection and creative self-restriction" (p. 178). This is also the profound meaning of Otto Rank's depreciation of psychoanalytic "insight" as a curative factor in therapy. "With increasing self-consciousness and growing self-insight, this psychology becomes destructive until, with full awareness of the truth about one's own self, it ends in a feeling of utter powerlessness" (Rank, 1950, p. 185).

With the truth, one cannot live. . . . The more a man can take reality as truth, appearance as essence, the sounder, the better adjusted, the happier will he be. . . . If man is the more normal, healthy and happy, the more he can accept the appearance of reality as truth, that is, the more successfully he can repress, displace, deny, rationalize, dramatize himself and deceive others, then it follows that the suffering of the neurotic comes not from painful reality but from painful truth. (Rank, 1945, pp. 250-251)

The neurotic . . . can no longer deceive himself about himself . . . he perceives himself as bad, guilt-laden, inferior, as a small, weak, helpless creature, which is the truth about mankind. . . . All other is illusion, is deception, but necessary deception in order to bear one's self and thereby life. (Rank, 1945, p. 93)

#### THE "FACE-TO-FACE ENCOUNTER" AS FREEDOM

In Robert Denhardt's Critical Theory, "the essence of freedom resides in the process of our interaction with others" (1981, p. 126). For Denhardt (and for such theorists as Gibson Winter and Michael Harmon), the face-to-face encounter is the primary unit of analysis, and is seen as the very embodiment, the nexus, of freedom.

Freud also used the face-to-face encounter as his primary unit of analysis: It is the heart of the relationship between analyst and analysand. It is also at the heart of the uncanny phenomenon of the "transference" — which Janet Malcolm (1982) has rightly called Freud's "most original and radical discovery" (p. 6). What is the transference? In the words of Ernest Becker, it is "the spell cast by persons — the nexus of unfreedom" (1973, p. 127). Let me repeat: It is the nexus of *unfreedom*.

The transference explains why we succumb to the hypnotic spell of the leader, why we hyperinflate the importance of the therapist, why we fall in love, why we worship authority. We fuse the anxiety of separation and individuation, the fear of life and death (the final separation), our trembling feelings of helplessness in the face of the awesomeness and overwhelming splendor of creation — what Rudolf Otto called the "*mysterium tremendum et fascinans*" of each single thing, of the fact that there are things at all" (Becker, 1973, p. 49) — we fuse all this terror *on* the transference object. In the language of existential psychoanalysis, we cathect our ontological guilt for being alive, our fear and loathing of the body that reminds us of our mortality, onto a bite-size chunk of "reality." By narrowing our universe onto this locus, we miraculously solve the central problem of man: What do I do to earn my feeling of rightfully

belonging in the cosmos? How do I make myself count in the scheme of Being? At first, the locus of transference is our parents. Later come teachers, gurus, therapists, lovers, popes and presidents, God, and mammon. All we need to do on this planet to achieve earthly heroism is please our masters, be their slaves. In return, they "transfer" to us some of their *manna*, and rub off onto us their power, their immortality. This "transference,"<sup>8</sup> according to Freud, is the single most important key to understanding the role authority plays in our psychic lives. It is the key that unlocks the mystery of group psychology, the key that explains why "in organizations, as elsewhere," in Denhardt's words, "people dominate and people submit to domination" (1981, p. 108). We "wish to be governed by unrestricted force" and have "an extreme passion for authority . . . a thirst for obedience" (Freud, 1921/1960, p. 76).

We long to return to the oceanic feeling of the "unio mystica" (Rank, 1929a, p. 176) we knew before the trauma of birth and eviction from paradise, before the Fall. Why is it so hard for us to bear the burden of selfhood, the anxiety of individuation, the pain of constructing a separate, active self? "The dark side of this individual self mastery," writes Rank (1945), "is the increased self-responsibility which manifests itself as guilt feeling and leads to mounting fear . . . the fear which appears in consequence of individualization, the fear of being alone, of loneliness, the loss of the feeling of kinship with others, finally with the ALL" (p. 155). No one has expressed the unavoidable tension between individuation and attachment, separation and union, assertion and submission, better than Rank, whose existential understanding of "the anxiety built into the human condition as a dividing line between the ego and the world" (p. 198) is utterly profound:

The fear in birth, which we have designated a fear of life, seems to me actually the fear of having to live as an isolated individual, and not the reverse, the fear of loss of individuality (death fear). This would mean, however, that the primary fear corresponds to a fear of separation from the whole, therefore, a fear of individuation, on account of which I should like to call it fear of life, although it may later appear as fear of the loss of that dearly bought individuality, as fear of death, of being dissolved again into the whole. Between these two fear possibilities, these poles of fear, the individual is thrown back and forth all his life, which accounts for the fact that we have not been able to trace fear back to a single root or to overcome it therapeutically. (Rank, 1945, p. 124)

For Rank, as for Denhardt, the primary unit of analysis is the face-to-face encounter, the *We*-relationship. He calls it, in his compelling language, "a cosmology of two." The transference, therefore, may be said to demonstrate human intersubjectivity even more dramatically than does language.<sup>9</sup> For Ernest Becker (1973), the transference—the "cosmology of two"—cannot be overemphasized. It "reflects the whole of the human condition, and raises the largest philosophical questions about that condition" (p. 158). It is impossible to argue this point away.

What does all this mean for us? Let us look at the shattering implications of the transference to the theologian Gibson Winter's conception of "social ethics," for example. For Winter, "love implies the mutuality of free initiation and free response" (quoted in Harmon, 1981, p. 80). Love "universalizes the relatedness of man's relational being as it is expressed in the *We*-relation. Love in the social world expresses itself as freedom and community" (p. 80). For Michael Harmon (1981), "justice"—the *sine qua non* of administrative responsibility—is simply love writ large, a "surrogate" logically derived from mutuality (pp. 84, 92).

How noble, how beautiful are these sentiments! Who can deny the ineffable experience of love? Rank writes that, originating in the preverbal mystery of the mother-child bond, love

unites our ego with the other, with the Thou, with the world and so does away with all fear. But what is unique in love is, that beyond the fact of uniting, it rebounds on the ego. Not only, I love the other as my ego, as part of my ego, but the other also makes my ego worthy of love. The love of the Thou thus places a value on one's own ego. Love abolishes egoism, it merges the self in the other to find it again enriched in one's own ego. This unique projection and introjection of feeling rests on the fact that one can really only love the one who accepts our own self as it is, indeed will not have it otherwise than it is, and whose self we accept as it is. (Rank, 1968, p. 11)

But Rank does not ignore the other, darker, side of love, what D. H. Lawrence (1920/1960) once called the "yoke and leash of love" (p. 247). Love as uncritical obedience; love as willing bondage; love as the green-eyed monster, jealousy; love as regulation, not choice; love as "the spell cast by persons—the nexus of unfreedom." For Rank, "being in love is an attempt of the individual to personify his own will in the other and so to justify it instead of denying it. . . . Being in love is the continuation of the

unreal will justification in God through the earthly deification of a real person . . . [love is a] voluntary dependence and subjection, the individual who makes a god for himself as he yields himself to the deified loved one" (Rank, 1945, p. 60). Listen, once again, to Becker's (1973) stunning words: "No one who honestly remembers how hazardous it could be to look certain people in the face, or how blissful to bask trustingly in the glow of another's power can accuse Freud [or Rank] of psychoanalytic rhetoric" (p. 133).

Recently, Janet Malcolm (1982) has summed up the tragic failure of the romantic solution, the virtual impossibility of ever achieving "communicative competence."

The concept of the transference at once destroys faith in personal relations and explains why they are tragic; we cannot know each other. We must grope around for each other through a dense thicket of absent others. We cannot see each other plain. . . . "Only connect," E. M. Forster proposed. "Only we can't," the psychoanalyst knows. (p. 6)

#### **"COMMUNICATIVE COMPETENCE" AS SALVATION**

Understanding, now, the heart-breaking meaning of the transference, we ask how realizable is the grand project of Critical Theory in our time: the construction of what Habermas has come to call a "universal pragmatics" of pure communication. We remember Denhardt's prophecy and prescription: By adopting the "heroic stance," we will experience healthy processes, processes that involve no trace of coercion, no trace of unfreedom. Communication (face-to-face encounter) will be free since it will be devoid of domination and hierarchy, devoid of superior/subordinate distortions, of power asymmetries. In the promised land, we will all have better conversations, purer communication.

Of course, communication does provide "a sort of bonding," as Denhardt put it. But it is not a bonding, as Denhardt (1981) thinks, "at odds with the ethic of the organization" (p. 129). The transference is in its deepest sense constitutive of power asymmetries. It is a bonding that ends up as bondage. "Relationship," writes Becker (1973), "is thus always a slavery of kind" (p. 213).

Like organization, transference is epiphenomena of human consciousness. It, too, is illusion, but a necessary illusion. The most important question for us, says Becker (1973), is what is "*life-enhancing* illusion" (p. 158); What is creative illusion? What is the largest chunk of the cosmos

I can bite off in my quest for earthly heroism, in my search for a safe beyond? What is a *worthy* object for my transference neurosis? Reflexivity allows us to break the chains of reification, to release us from bondage to hypostatized powers, to cure us of social amnesia. The organization is a snare and a delusion—a timid heroics, an unworthy object of cathexis. “Psychotherapy,” writes Becker (1973), “can allow people to affirm themselves, to smash idols that constrict the self-esteem, to lift the load of neurotic guilt—the extra guilt piled on top of natural existential guilt” (p. 270). Reflexivity and psychotherapy, we may say, lift the load of surplus repression, surplus reification. But there is no cure for that long malaise, life, for the sickness called man. “The empirical facts of the world,” in Becker’s chilling words, “will not fade away because one has analyzed his Oedipus Complex, as Freud so well knew, or because one can make love with tenderness, as so many now believe. Forget it” (p. 281). “My discoveries are not primarily a heal-all,” Freud wrote late in his life to the poet Hilda Doolittle. “My discoveries are a basis for a very grave philosophy” (quoted in Doolittle, 1956, p. 25).

It is ironic that, while the main project of Habermas’s Critical Theory is “communicative competence”—producing better conversations—the esoteric and convoluted language of critical discourse (and, here, I except Denhardt) makes reading critical theorists, according to Orion White, “virtually incomprehensible” (White, 1983, p. 129).<sup>10</sup> “Mumbo-jumbo,” says Karl Popper (1984, p. 167).<sup>11</sup> For the critical theorists, language or speech constitutes the means by which instrumental rationalism unconsciously dominates the mind. Language is pathology.<sup>12</sup> Is it too far-fetched to infer, from what Habermas seems to be saying, that to use language itself instrumentally is to keep us imprisoned in the web of reification, in the diseased mind-set of “purposive-rational” actions? Saying is doing. Words themselves must not be allowed to serve instrumentally for fear that they will poison our actions. It is for this reason that undistorted communication, conversation free of power asymmetries, must perforce only be a process, an end that has no end.

Once meaning is clarified, once we are “understood,” once the “goal” of communication is reached, *there is nothing left for us to talk about!* (This, I think, may be one version of the famous “identity problem” that Adorno and Horkheimer most feared would undermine the program of the Frankfurt School, the intellectual ancestor of Critical Theory.) It seems, perhaps on some *unconscious* level, that Habermas and his epigoni may not want to be completely understood. Understanding can only ossify into fact. “Facts” must be criticized ceaselessly, destroyed mercilessly, to

allow "value" to emerge. The goal of communication must be negated like all other goals; otherwise, we are diminished in the freedom, the unconstrained totality, of our being. To be understood is to be imprisoned in the iron cage of *misunderstanding* known as reification. How ironic that, on this point, we see the merger of psychoanalysis and Critical Theory, although they come from opposite directions: "Only connect," E. M. Forster proposed. "Only we can't," the psychoanalyst—now the critical theorist—knows.<sup>13</sup>

#### "WORK" AS "PLAY"

In the promised land of Denhardt's (1981) Critical Theory, "work will become play" (p. 125), the Pleasure Principle will reign, Eros will conquer Thanatos. The Logos of communicative competence will usher in a paradise on earth where "death is no longer a problem" (p. 120). For Denhardt, the word *play* does not simply connote ordinary, garden-variety pleasure. As we saw earlier, Denhardt is in the serious business of constructing a "theology" of organizational life. He does not wear lightly the robes of a prophet. "Play" is as important a metaphor, a metatheory, for Denhardt as "death" is for Ernest Becker. Play is the divine consort of critique, the God of negation. This is a play that is "bound neither by social constraint nor physical need." A "play" that is completely "free from both external and internal compulsion . . . and transcendent of ordinary states of consciousness" (p. 124).

The transubstantiation of work into play, of pain into joy, has been the dream of prophets long before Denhardt. Listen to Herbert Marcuse:

The play impulse is the vehicle of this liberation . . . the manifestation of an existence without fear and anxiety, and thus, the manifestation of freedom itself. Man is free only when he is free from constraint, external and internal. . . . In a genuinely humane civilization, the human existence will be play rather than toil. (Marcuse, 1962, p. 117)

According to Norman O. Brown:

The question confronting mankind is the abolition of repression . . . the resurrection of the body . . . in an activity of a kind that . . . can only be called play . . . [A] Dionysian consciousness which does not observe the limit, but overflows; consciousness which *does not negate any more*. (Brown, 1959, p. 308)



Jean Brun has written:

Dionysus promises the expansion of the ego as far as the boundaries of the world and the transcendence of the narrow corporeal prison in which every man is jailed, by letting him taste the ecstasy of an infinite life. (quoted in Chasseguet-Smirgel and Grunberger, 1986, p. 222)

The message of these prophets of Dionysus is always the same: Abolish repression, abolish constraints, "expand the present limits of the human condition" (p. 133), in Denhardt's (1981) words. Abolish negation, abolish reification, abolish human suffering, abolish tragedy, abolish history. "History," said James Joyce, "is a nightmare from which I am trying to awaken" (quoted in Brown, 1959, p. 15). Abolish alienation, abolish anxiety, abolish time. Celebrate "the Sabbath of Eternity, that time when time no more shall be" (Brown, 1959, p. 85). Abolish death. Most of all, abolish death: the final negation, the final repressor, the final limit of the human condition.

In a study of radical social thinkers who belong to "the party of Eros," Richard King (1972) has observed that the unrepressed life, the life of perpetual gratification, means "the end of time as man had previously known it."

No longer would men yearn for a golden age past or hope for a utopia in the future. Happiness would be eternally present. Bodies with bodies, polymorphous contact rather than genital penetration, mutuality rather than dominance. (p. 164)

Mutuality rather than dominance. Is this not the catechism of Denhardt's theology, of Critical Theory?

"Work will become play" is the proclamation of the Millennium, the end of days. For Norman O. Brown (1959), it is the proclamation of "the resurrection of the body" (p. 308), the end of repression, the end of reification. In a fascinating passage in *Life against Death*, Brown (1959) links Alfred North Whitehead's criticism of reification with his own criticism of repression:

His protest against "The Fallacy of Misplaced Concreteness" is a protest on behalf of the living body as a whole. [Quoting Whitehead:] "But the living organ of experience is the living body as a whole"; and his protest "on behalf of value" insists that the real structure of the human body, of

human cognition, and of the events cognized is both sensuous and erotic, "self-enjoyment." (p. 314)

What, we may ask, will become of Critical Theory itself in the dawn of the Millennium? Does not the end of the need to struggle, the end of the need to criticize, the end of the need to negate — there is no "no" in the unconscious — does not the arrival of the Millennium proclaim the death of Critical Theory? "Perpetual progress has given way, because of its own success, to perpetual gratification. The Frankfurt School's own image of being gives way to what Adorno feared most: identity" (Friedman, 1981, p. 276).

How can someone who recognizes that death — and these are the words of Denhardt (1981) — "comprises our greatest irony, our greatest problem, our greatest irrationality" (p. 78), also write that "death is no longer a problem . . . [for] the hero [who] embodies the ultimate reconciliation of life and death, and in that act represents the greatest achievement of mankind?" (p. 120). Death is true determinism, real restriction, real repression, real regulation. What does it mean to adopt the "heroic stance" if one is not already a god? Time, history, and death define us as human beings. What does it mean: "The reconciliation of life and death"? What does it mean to become "an unbiased whole"? (1981, p. 123). What does it mean to live without repression, without reification, without humility, in the face of the *mysterium tremendum et fascinosum* of the cosmos? "What exactly would it mean to be wholly unrepressed, to live in full bodily and psychic expansiveness? It can only mean to be reborn into madness" (Becker, 1973, p. 66).

Death is the ultimate problem for human beings. "In the simplest sense," writes George Friedman, death is "the abolition and negation of the erotic. [The] problem of death makes . . . the entire project of the Frankfurt School problematic" (1981, pp. 280, 285). There is no way out of this apodictic judgment. The heroic, death-defying Critical Theory of Robert Denhardt must succumb to the Last Judgment. Just as we all must, mortals and heroes alike.

## NOTES

1. The quotes by White and Scott are taken from the dust jacket of *In the Shadow of Organization* (1981).

2. Although Denhardt did not attend the famous 1968 Minnowbrook conference, which spawned (what came to be called) the New Public Administration Movement, I do not think he would object to my associating him with it in, perhaps, a "spiritual" sense. See Schick (1977, pp. 161-165) for a finely balanced overview of the significance of Minnowbrook.

3. Weber "was by no means a normative advocate of bureaucracy" (Harmon, 1981, p. 52).

4. See Harmon (1981, pp. 28-31) for a good explanation of why choosing the "face-to-face" encounter as the primary unit of analysis in social theory—over, for example, the individual or the organization—makes a huge difference in perspective.

5. Otto Rank (1884-1939), once described by Havelock Ellis as "perhaps the most brilliant and clairvoyant" (1923, p. 111) of all of Freud's pupils, helped found the psychoanalytic movement, and served for almost 20 years as protégé of Freud, secretary of the Vienna Psychoanalytic Society, and coeditor of *Imago* and *Zeitschrift*, the two leading journals of psychoanalysis. Next to Freud, Rank was perhaps the most prolific early psychoanalytic writer—having written seven books and some 50 articles before reaching the age of 40. In 1924, he published *The Trauma of Birth*, which turned the psychoanalytic world upside down by proposing that separation from the mother (not fear of the castrating father) was the prototype of anxiety. Accused of anti-Oedipal heresy, and branded mentally unstable by jealous colleagues, Rank was excommunicated from the movement he helped to create and, after a series of painful and unsuccessful attempts at reconciliation, shunned by Freud himself.

Rank eventually came to denounce psychoanalysis for its denial of human choice, creativity, and responsibility. It was not until the publication of *In the Shadow of Organization* (1981) that the world of organization theory learned of Otto Rank, whose *Psychology and the Soul* (1950) is quoted extensively by Denhardt. Although not stressed by Denhardt, Rank's work is especially valuable as a psychological foundation for the bipartite conception of human nature advocated by action theorists: the "active self" and the "social self." For Rank, the will or the active self is "the decisive psychological factor in human behavior" (Rank, 1958, p. 50). It "constitutes the creative expression of the total personality and distinguishes one individual from another" (p. 50). But this same consciousness of difference, of separation, of existential aloneness merges at its deepest level into the feeling of guilt and the painful realization that individualism is insufficient. "The ego needs the Thou in order to become a self. . . . The tragic element in this process is that the ego needs a Thou to build up an assertive self with and against this Thou" (Rank, 1958, p. 290).

How is the "social self" formed? For Freud, guilt and the social self are the legacy of the Oedipal complex, a byproduct of the taboo surrounding the child's sexual fantasies about its parents. The "superego," a precipitate of identification with the forbidding father, becomes the deterrent for acting out infantile Oedipal wishes and the foundation of human society. For Freud, fear and guilt—and their objective correlative, the social self—originate from the outside, from the threat of castration by the father.

Rank observes that the Freudian superego "represents nothing other than the social self" (Rank, 1945, p. 100), but he insists that guilt does not derive from the outside. It comes from *within*, from the individuation process itself. Striking (in his own words) at "the boundary of the metaphysical," Rank articulates a profoundly existential position:

The discovery that the freeing or satisfaction of sexuality does not necessarily do away with fear but often even increases it, and the observation that the infant

experiences fear at a time when there can be no question of outer threat of any kind, have made the [Freudian] theory of the sexual origin of fear, and its derivation from the outside, untenable. The individual comes to the world with fear, and this fear exists independently of outside threats, whether of a sexual or other nature. (Rank, 1945, p. 122)

In Rank's view, "guilt is not created from the outer world; it springs instead from our own willing, which does not stop at the death blow to the father and the sexual conquest of the mother" (p. 50). In other words, guilt is existential, an inevitable result of individuation, intentionality, and acting. Guilt feeling is the inevitable price we pay for the awakening of individuality, for the construction of the active self, for being responsible human beings. "Will and guilt," says Rank (1945), "are the two complementary sides of one and the same phenomenon" (p. 239). More profoundly, both the expression of will and its denial produce guilt. When the active self is denied, guilt issues as a form of thrown-back responsibility. In this sense, neurosis is a failure in accepting individuality, a refusal of the burdens of selfhood. But when the active self is stretched too far, when dependence is denied and transformed into "too extreme individualism" (p. 56), guilt once again is felt. Beginning with the psychological separation from the mother, the struggle to free ourselves from emotional attachments and express our will, as opposite to the Other, as different, "is the basis for the moral condemnation which manifests itself as inferiority or guilt feeling" (p. 56). This "insurmountable guilt problem" (p. 2) can never be solved, but the guilt feeling can be reduced, according to Rank (1945), "not in and by the individual himself, but only in relation to a second person who justifies our will, makes it good since he voluntarily submits himself to it, and so brings [the guilt feeling] to suspension" (p. 56). For Rank, an indissoluble link exists between separation and union, individuation and attachment, the active self and the social self, the Ego and the Thou. Rank has captured the paradox that guilt is the nexus between these two poles of experience. It is Rank's enduring insight that the active self and the social self are constructs of the same emotion—guilt. "The more we individualize ourselves, that is, remove and isolate ourselves from others, the stronger is the formation of guilt feeling, which originates from this individualization, and which again in turn unites us emotionally with the others" (Rank, 1929b, p. 11).

An excellent appreciation of Rank's relevance to modern thought in psychology, therapy, and the arts can be found in Menaker (1982). The best biography of Rank is by Lieberman (1985), who has compiled an exhaustive bibliography of writings by and on Rank.

6. In the mid-sixties, Becker was an extraordinarily popular professor of anthropology at the University of California at Berkeley. Many called him *the* professor at Berkeley. His fiery, spacious mind could not be contained by departmental lines, as he speculated widely across sociology, anthropology, and psychology. Perhaps for the same reason, Berkeley refused to renew his contract. His popularity with students was so great, however, that the Berkeley Student Government collected \$13,000 to fund a chair for him. Depressed over the suppression of the Free Speech Movement, Becker declined the offer, and moved on to San Francisco State College and, eventually, to Simon Fraser University in Canada.

Becker based much of his argument in *The Denial of Death* (1973) on the work of Otto Rank. "One thing that I hope my confrontation with Rank will do," Becker wrote, "is to send the reader directly to his books. There is no substitute for reading Rank. My personal copies of his books are marked in the covers with an uncommon abundance of notes, underlinings, double exclamation points; he is a mine for years of insights and pondering." Becker saw *The Denial of Death* as "a bid for the peace of my scholarly soul, an offering for intellectual

absolution. I feel," he wrote, "that this is my first mature work." An astonishing statement from someone who had already published seven books! Ernest Becker died of cancer on March 7, 1974. On May 6, 1974, *The Denial of Death* was awarded the Pulitzer Prize for general nonfiction.

For an appreciation of Becker's thought, a good place to start is the searching review of *The Denial of Death* by Victor Ferkiss in the November 29, 1974 issue of *Commonweal*. See also the two-part review by Anatole Broyard in *The New York Times* of May 27 and May 28, 1974, which concludes that *Denial* "may be one of the most challenging books of the decade." A special issue of *Kairos* (1966), Volume 2, Number 1, was devoted to Becker, whose work was explored in four lengthy articles, scholarly and personal. For an appreciation of Becker the man, see the exchange of correspondence between him and the theologian Harvey Bates, published in "Letters from Ernest," *Christian Century*, March 9, 1977. Also revealing is a remarkable interview with Becker, conducted on his deathbed, published in Sam Keen (1974). For a confused (and churlish) attack on Becker by a fellow Canadian academic, see Farber (1981, pp. 253-270). Intelligent critiques—all from theologians—can be found in Bianchi (1977), Evans (1979), and Kopas (1982). The best application of Becker's thought to organization theory is by Schwartz (1985). In the first book-length study of Becker, Kenel (1988) corrects some misreadings of *The Denial of Death*, but her presentation is marred by poor editing and a wooden writing style.

7. Every effort has been made to contact the current holder of the copyright on Otto Rank's *Will Therapy and Truth and Reality*, without success.

8. Although my connotation of "transference" does not correspond exactly to the clinical meaning, Freud himself employed it in various writings. For example, in *Totem and Taboo*, he wrote that some human beings "are charged with a dangerous power, which can be transferred through contact with them almost like an infection" (Freud, 1913/1950, p. 21).

9. See Harmon (1981, pp. 39-40) for the interesting thesis (based on the writings of Walker Percy) that language is constitutive of the intersubjective nature of the self. "The We-relation," says Harmon, "provides the basis for a concept of the self that accounts for human freedom and creativity as well as for sociality" (1981, p. 40). Action Theory merges with Critical Theory on this point.

10. A footnote to White's article ("Communication Induced Distortion in Scholarly Research"): In scholarly research, as elsewhere, communication is always distorted. We all suffer from communicative incompetence.

11. While Popper's antipathy to Critical Theory is well known, not so well known is his claim that he is *not* a positivist: "Throughout my life . . . I have fought for the doctrine that positivistic epistemology is inadequate even in its analysis of the natural sciences which, in fact, are not 'careful generalizations from observation,' as it is usually believed, but are essentially speculative and daring" (Popper, 1984, p. 163). Popper regards Critical Theory as (in Raymond Arons's phrase) "opium of the intellectuals," not on positivist grounds, but on the grounds that, in his reading, Critical Theory "is consciously opposed to clarity" (pp. 168-169).

12. A paradox: For Action Theory, language is a means to achieve freedom; for Critical Theory, language is a means of domination.

13. The tragic impossibility of "connecting" may also explain why Leszek Kolakowski (1984), the brilliant student of Marxism and recent Polish expatriate, saw Adorno's incredibly obscure *Negative Dialectics* as an "embodied antinomy: a philosophical work that sets out to prove . . . that the writing of philosophical works is impossible" (p. 95).

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## BEYOND THE SHADOW

ROBERT B. DENHARDT

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**While I am obviously flattered** by Robert Kramer's appreciation of my book, *In the Shadow of Organization*, I would like to take this opportunity to comment upon several concerns he raises—concerns that seem to arise from a slight misreading of my work—and to address one other issue that has been raised by those reading the *Shadow*, that being its practical implications.

Obviously both Kramer and I are impressed by the argument presented by Otto Rank, Norman O. Brown, and others that the effort to achieve a symbolic sense of immortality is basic to human life. Though as human beings we all know we will die, or rather because of that knowledge, we spend our lives seeking ways of overcoming, symbolically, the reality of our eventual physical death. We seek salvation—through religious teachings, through writing books and articles, and through our children. Indeed, we build entire cultures to sustain our efforts toward immortality.

If this is the case, then those objects and institutions that serve us not only instrumentally but also as objects of transcendence are likely to have great prominence in our culture. To say, therefore, that complex organizations dominate our society is reflective of the fact that they are contemporary expressions of our quest for immortality. Thus life in complex organizations takes on a special spiritual significance: It is not merely instrumental, it is expressive of what may be our most deep-seated need, the need to overcome death, at least symbolically.

In the *Shadow*, therefore, I argue that "the relationship between the leader and the led (in complex organizations) is based on a reciprocal expectation that each person will, by virtue of his or her involvement in the relationship, attain immortality. Yet, as the parties act out their various understandings of the agreement, different and essentially conflicting interests appear to be represented." To the extent that organizational

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leadership rests upon hierarchical domination, the quest for immortality is undermined. Our involvement in organizations, which first appears to affirm life, winds up affirming only death.

The message of the *Shadow*, though I hope it is compelling, need not be overdrawn. Unfortunately, Kramer seems to take my argument somewhat beyond the original, then holds that the argument has gone too far. Let us briefly examine each of his four main areas of concern. First, Kramer claims that "For Denhardt, most (perhaps even all) of human evil can be attributed to the cancer of the organizational ethic." Not so. While I may "single-mindedly" focus on organizational life in the *Shadow*, I certainly recognize many other sources of evil and temptation in the modern world, many of which are attractive to us precisely because they provide symbolic (as well as physical or material) gratification. There is no question that, even if we were to remove the "cancerous" ethic of organization, we would not enter immediately into a state of bliss—and we certainly would not have conquered death.

Second, while Kramer notes that I don't employ the "face-to-face encounter" construct, he is critical of my connection between that idea and the idea of freedom. While I do indeed hold that "the essence of freedom resides in the process of our interaction with others," I don't necessarily see that interaction solely based in isolated encounters, and, unlike some, I certainly don't feel that encounter alone provides the gateway to freedom. While Kramer is correct to point out that all face-to-face encounters contain elements of unfreedom, we should also acknowledge that whatever freedom to which we might aspire in the important (though limited) world of organizations will surely require interaction. Again, my concern in the *Shadow* is not eliminating all evil but rather providing guidance to those who seek to throw off the bonds of organization, and that demands interaction.

Third, and closely related to this point, is the fact that the quest for freedom will require improvements in the way we communicate; indeed, ultimately it will require free, open, and undominated communication. Kramer's primary concern here seems to be that critical theorists writing about this topic are hard to read, something upon which Kramer and I would agree. But that doesn't make their argument less important. Moreover, in discussing this point, Kramer makes an interesting and revealing comment—that in my "promised land"—his term, not mine—there will be purer communications (perhaps even to the point of our having nothing left to talk about). I would not—and in the *Shadow* did not—state the point that way. My concern is not with a promised land; it is rather with the

land—and the society and the culture—we now have, the land and the society and the culture in which we live. Thus I sought in the *Shadow* not an abstract philosophy or a theological promised land, but what I called a “practical philosophy” for those who must contend daily with the forces of organization. At the core of such a practical philosophy, there must be both psychological and sociological concepts, for individual freedom and an emancipated society must go hand in hand. The effort is one that reciprocally requires the individual and the organization, action and contemplation, even theory and practice—and, both psychologically speaking and sociologically speaking, undistorted communication is the key.

Fourth, and finally, Kramer asks the practicality question: Will it work? For example, does it make sense to hope that work can become play? Or, to take matters a step further, does it even make sense to talk about play (or practicality) when we ultimately will die? Recently, I have treated this question through the metaphors of the master-slave relationship (see *Journal of Management*, 1987, vol. 13, no. 1, pp. 529-541). Perhaps a quick review would be helpful.

Certainly the tension between master and slave, born of the efforts of masters to seek their own fortunes (immortality) at the expense of the slave's identity and aspirations, strikingly parallels those patterns of domination that occur in complex organizations. The organizational member, the “corporate slave,” confronts the same sense of limitations and despair as the slave of earlier times; and the same traumas and intimidations result. “The slaves of developed industrial civilization,” writes Marcuse, “are sublimated slaves, but they are slaves, for slavery is determined . . . by the status of being a mere instrument, and the reduction of man to the state of a thing.” Recognizing the historical and perhaps even archetypical nature of superior-subordinate relationships in modern organizations points the way for both modern masters and modern slaves to achieve greater freedom—in very practical ways.

Perhaps the somewhat visionary interpretation of organizational life I have set forth (or the even more visionary interpretation of Kramer's reading) has little hope of realization on a grand scale. But I do think that in small acts we can begin to move in the right direction; and possibly that is really all that is required of heroism today, that we step outside the bounds of the present to entertain and begin to realize a new vision. But that's not to say it is easy. Indeed, the act of creativity is always risky, perhaps, in a sense, even death defying.

We spend a lot of time in organizations today and we are constantly pressured to conform to the impersonal and instrumental way of life; yet,

throughout all of it, humanity survives, most often in the seemingly insignificant but so very meaningful acts of individual heroes and heroines. The creation of settings in which creativity and dialogue can occur, in which mutuality and respect contribute both to individual growth and development and to enabling groups and organizations to deal more effectively and responsibly with environmental complexity is an effort that begins with the act of an individual. To paraphrase an old proverb, the long journey toward genuine dialogue begins with a single kind word. I thank Kramer for his.

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# *THE THREE BEARS AND GOLDBLOCKS MEET BURRELL AND MORGAN*

LINDA DENNARD

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## **FUNCTIONALIST PARADIGM**

**Once upon a time**, at 0600 hours, Goldilocks strayed from her Triple A Travel Agenda and became lost in the woods. She set her digital compass for north and followed the arrow in the direction of the nearest backwoods Strategic Planning Center for further instructions. Upon reaching the Center she was appalled to find that the Three Bears, who usually staffed the computers, were gone.

After adjusting her daytimer for the deviation in schedule, Goldilocks went in search of food. She found instant porridge in three bowls by the microwave. The three bowls appeared to vary according to temperature. She consulted her backwoods guide to meal planning and calculated the statistical probability that the big bowl would be too hot, the middle bowl too cold, and the little bowl just right. Unfortunately, there appeared to be a minimal probability that a relationship existed between the size of the bowl and the temperature of the porridge. However, while she was pondering how to redefine the problem, the Three Bears returned. Since Goldilocks had foolishly forgotten to bring a picture ID, the Bears ate her, according to Agency regulations.

*Moral:* She who has no method, has no meal; or crunching numbers is more nutritious than mincing words.

## **INTERPRETIVIST PARADIGM**

Once upon a time Goldilocks found herself lost in the woods, at least that was her perception at the moment. She was scared by a lecherous

squirrel in an oak tree, so the woods may have seemed usually dark; but I digress.

In reporting her adventure later, Goldilocks noted that she had not realized that she was lost in the woods until the Three Bears projected the reality upon her that she was a prisoner in an organizational jungle that made her feel like a little lost girl so they could feel like big strong bears; but I digress. She happened upon a cottage in the woods, or what appeared to be a cottage in the woods, belonging to the Three Bears. The Three Bears were not at home, having gone where their thoughts led them, and were not sure when they would return, which would depend on whom they met and where they went; but I digress. Goldilocks, being weary from indecision, proceeded to the bedroom, or what appeared to be the bedroom, where she seemed to find three beds of different sizes. All the beds seemed adequate on the surface, and Goldilocks reasoned that the big bed would be small in another context, so she laid down on the floor, or what appeared to be the floor, and waited for the Three Bears to return and confirm her reality.

*Moral:* She who hesitates should look before she leaps.

### **RADICAL HUMANIST PARADIGM**

Once upon an infinite time, Goldilocks, like the Ancients before her, was wandering in a dark and solemn woods on a journey of self-discovery. Tired and despairing from the vacuous ethos of technicist society, she lay down to rest. In her sleep she dreamed of a cottage with many rooms, some dark and some light and sweet with the smell of porridge. At a stone table she saw Three Chairs and a place for a fourth. As she was pondering the meaning of this, three winged bears joined her and brought her a chair and a bowl of porridge to eat. When she awoke, she no longer despaired but wondered at the meaning of her dream. As she continued along her path, she came upon Three Bears caught in a trap. Although the hunter stood by with his gun, she liberated the Bears and embraced them as brothers and sisters, man and woman, good and evil, and at peace with her unity.

*Moral:* Without the big picture it's a small world.

### RADICAL STRUCTURALIST PARADIGM

Goldilocks got separated from her comrades during a riot at K-Mart that was provoked by an alienated consumer who was told he would have to take a rain check on the blue-light special (designer refrigerator magnets). She wandered into the capitalist woods. She found her way to a trailer house. Inside were Three Bears locked in a dialectical struggle with the VCR. She liberated the Three Bears from their bourgeois existence by unplugging the TV, and burned down the trailer.

*Moral:* If you can't make the system work, get a bigger hammer.

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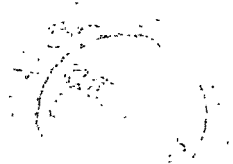
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*This essay provides an alternative framework for interpreting the leadership role of public administrators in governance. It is argued, contrary to the views held by a large band of public administration theorists, that leadership in the administrative state need not and should not be governed solely by the entrepreneurial leadership model. In fact, excessive entrepreneurship is seen as a threat to public institutions. An argument is presented that public administrators are engaged in a special kind of leadership called Administrative Conservatorship. Public administrators are depicted as guardians of public institutions and, in turn, regime values.*

## **LEADERSHIP IN THE ADMINISTRATIVE STATE**

### *The Concept of Administrative Conservatorship*

LARRY D. TERRY  
*Radford University*

Statesmen who are unaware of the ideas that shaped the institutions currently in their custody, and uninterested in the ideas that shape the expectations and tolerances of the citizenry, are statesmen governed by forces they cannot comprehend. Such statesmen are apt to think they have more range for effective action than they actually have. And they are apt to have less than they would have were they more aware of the connections between the life of the mind and the life of society. [George F. Will, 1983]

The role of public administrators in governance has received a great deal of attention in recent years. While the legitimacy of this role has been

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**AUTHOR'S NOTE:** *This article is based on a dissertation and forthcoming book, entitled A Theory of Administrative Conservatorship. A version of this article was presented at the Second Annual Public Administration Theory Symposium held in conjunction with the National Conference of the American Society for Public Administration, Miami, Florida, April 1989.*

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the subject of intense debate, a consensus is emerging once again, that public administrators rightly share a *leadership* role in governing our Republic (Rohr, 1986; Wamsley, 1988; Wamsley, Goodsell, Rohr, Stivers, & Wolf, 1987). The precise nature of what this leadership role is or should be, however, requires further clarification. This is an important area of scholarly inquiry that deserves serious consideration.

The purpose of this essay is to offer a perspective that enables us to better appraise leadership in the administrative state. The perspective outlined here provides a different framework for conceptualizing the leadership role of public administrators in governance. It is argued that public administrators are actively involved in a special type of leadership called *Administrative Conservatorship*. Administrative Conservatorship is leadership grounded in the ancient conception of authority and is consistent with our constitutional tradition. The concept of Administrative Conservatorship has a normative quality lacking in most contemporary models of leadership.

As a means of advancing our discussion, dominant themes in the leadership literature are examined briefly with special attention devoted to leadership in the administrative state. We argue, contrary to views held by many public administration theorists, that leadership in the administrative state need not and should not be governed by the "cult" of entrepreneurship. Indeed, the concepts of leadership and entrepreneurship are not inextricably bound as many theorists suggest. Moreover, it is suggested that a preoccupation with entrepreneurship is dangerous. It cultivates a spirit of excessive "opportunism" (Selznick, 1957), which threatens and weakens the integrity of our public institutions.<sup>1</sup>

Next, we introduce the concept of Administrative Conservatorship. An argument is presented that Administrative Conservatorship is a valuable perspective for defining and articulating the leadership role of public administrators in governance. Public administrators are characterized as guardians of governmental institutions and protectors of our democratic way of life.

### **THE CASE AGAINST ENTREPRENEURIAL LEADERSHIP: WHEN "DISPLACEMENT" BECOMES "MISPLACEMENT"**

The myriad of technological, political, and economic changes occurring in our society is well documented (Drucker, 1980; Masuda, 1980;



Naisbitt, 1982; Toffler, 1980). The precipitous nature of these changes and their influence on organizational performance has prompted attentive observers to issue a call for modifications in administrative leadership practices (Bass, 1984, 1985; Bennis, 1989; Bennis & Nanus, 1985; Peters & Waterman, 1982; Tichy & Devanna, 1986; Tichy & Ulrich, 1984a; Zaleznik, 1977, 1983). The call has gone out for a "new and improved" brand of leadership, a brand that has as its major ingredients entrepreneurship, innovation, and radical change.

Proponents of the so-called new brand of leadership assert, with a sense of urgency, a need for the development of entrepreneurial type leaders who are capable of radically transforming organizations. These leaders are depicted as heroes who can rescue organizations from the villain known as decline, and return them to their once prosperous growth-oriented status. Entrepreneurial leaders are deemed extremely important as major institutions are finding it more and more difficult to sustain high rates of resource utilization and are forced to retrench (Whetten, 1980).

Students of the entrepreneurial leadership school have engaged in trenchant attacks on other modes of administrative leadership. A portrait is presented that condemns other brands of leadership as ineffective during periods of rapid change. Moreover, administrative leaders who do not embrace the principles of entrepreneurship and radical change are depicted as "merely" managers—technocrats conceptualized in an extremely narrow and pejorative sense (Bass, 1985, 1984; Zaleznik, 1977). The message seems to be: Rapidly changing times require that organizations adopt the "new and improved" version of leadership in order to survive. Tichy and Ulrich (1984b, p. 59) certainly make this point when they said:

To revitalize organizations . . . a new brand of leadership is necessary. Instead of managers who continue to move organizations along historical tracks, the new leader must transform the organization and head them down new tracks. What is required of this kind of leader is an ability to help the organization develop a vision of what it can be, to mobilize the organization to accept and work toward achieving the new vision, and to institutionalize the changes that must last over time. Unless the creation of this breed of leader becomes a national agenda, we are not very optimistic about the revitalization of the U.S. economy. We call these new leaders transformational leaders, for they must create something new out of something old: out of an old vision, they must develop and communicate a new vision and get others not only to see the vision but also to commit themselves to it.

The business management literature is saturated with statements similar to those made by Tichy and Ulrich.<sup>2</sup> While an extensive review of this literature would lead us astray from the task at hand, our purposes are best served by highlighting several dominant themes.

A readily apparent theme is that leaders of private sector institutions are cast in a role larger than life. These leaders are viewed as having (or as those who should have) enormous power derived primarily from charisma, to alter organizational events at their discretion.<sup>3</sup> Lee Iacocca, chairman of the Chrysler Corporation, and Michael Blumenthal, the head of Burroughs Corporation are offered as illustrations (Tichy & Devanna, 1986). Implicit in this romanticized view of leadership is a coercive conception of authority that is based on domination and forced submission (Wilson, 1975).

The second theme relates to the measurement of leadership effectiveness. Leaders are considered effective if they successfully reconstruct the organization's technical, political, and cultural system. A propensity for risk taking, opportunism, and innovation is also factored in the effectiveness equation. Leaders who fulfill these requirements are said to have "made a difference."

The final theme revolves around the concept of tradition. According to Friedrich (1972, p. 18), the term *tradition* has ecclesiastical roots and is defined as "a set of established values and beliefs having persisted over several generations." Contemporary organization theorists tend to portray leaders as "antitraditionalists." Organizational values and traditions that have endured over time are viewed with disdain and suspicion. Leaders are encouraged to abandon tradition in their urgent search for new or innovative ways of doing things.

As has often been the case, public administration theorists have borrowed concepts from our business management brethren. Most, if not all, of the aforementioned themes have surfaced in recent discussions concerning leadership in the administrative state. The work of Doig and Hargrove (1987) is of special interest here.

Doig and Hargrove argue that the social sciences in general and the field of public administration in particular, have ignored the study of leadership. As a consequence, we have been unable to learn more about the contributions made by leaders of public institutions. The authors blame the current state of affairs on scholars who promote what they call, a "pessimistic view," that leaders of public agencies "make very little difference" (1987, p. 2). Herbert Kaufman (1981) is identified as a leading

proponent of this perspective and is sharply criticized as the following passage reveals:

Whether leaders in public agencies can and do make a difference should be a matter of interest not only to scholars as they seek to understand the dynamics of governmental action and the sources of innovation. When the pessimistic view of Kaufman and his large band of colleagues dominate the scholarly literature, it also influences the texts and teaching of public policy, and is likely to convey a message to society's best potential leaders: If you are interested in using your talents and energies to accomplish challenging tasks, government services is not for you. Thus the position held by Kaufman and his fellow social scientists would tend to become a self-fulfilling hypothesis. (Doig & Hargrove, 1987, p. 2)

In an effort to counteract the pessimistic view that leaders are unimportant, Doig and Hargrove seek to reclaim the intellectual high ground by asserting that leaders do "make a difference." They rely on administrative biographies to accomplish this mission, a useful approach advocated by other public administration theorists (Goodsell, 1986; Lewis, 1980; Brown & Stillman, 1985).<sup>4</sup> Doig and Hargrove adopt a conceptual framework governed by the principles of entrepreneurship and innovation. As such, public leaders are characterized as "entrepreneurs" (1987, p. 8).

Given the conceptual framework employed by Doig and Hargrove, it is no surprise that they emphasize many of the dominant themes found in the business management literature. For example, leaders of public agencies are depicted as individuals who possess "unusual" powers and qualities that enable them to dominate and conquer others. They state:

Our thirteen entrepreneurs were strongly motivated to place their imprints on the complex world of public policy. For some such as Nancy Hanks and Elmer Staats the personal style was low-keyed but assertive. Others such as Lilienthal and Rickover, were more competitive, even combative reminding us of Schumpeter's characterization of the entrepreneur as a person who has the "will to conquer: the impulse to fight, to prove oneself superior to others." For all of our chosen leaders, probably the will to conquer was there; some sought to only conquer challenging political and technical problems; while others were motivated as well by the need to dominate people inside and beyond their organization [Doig and Hargrove, 1987, p. 12].

Doig and Hargrove also imply that leadership effectiveness is measured by the leader's ability to reconstruct organizational structures,

functions, and processes. Effective leaders, that is, those who make a difference, "identify new missions and programs"; "create and nourish external constitutions to support new goals"; "create internal constituencies through changes in organizational structures"; and "enhance the organization's technical expertise to implement new goals and programs" (1987, p. 8). The emphasis on "new" can be interpreted to mean that existing organizational structures, functions, and processes are inadequate and thus require radical reconstruction.

The notion that effective public leaders are risk takers and opportunists is central to these authors' conception of leadership. Leaders are viewed as high-stake players in the organizational game who are willing to sacrifice everything to "make a difference." They are said to have a burning desire to throw their "energies and personal reputations into the fray in order to bring about change" (1987, p. 11). The organization's established value system is perceived as a formidable foe that challenges the creation and institutionalization of innovation. As a result, public leaders are encouraged to disassociate themselves with established traditions and reformulate their self-concept in terms of a new value system. In other words, effective public leaders must destroy organizational traditions in order to "make a difference." In quoting Schumpeter, Doig and Hargrove (1987, p. 11) said:

In one sense, he may indeed be called the most rational and the most egotistical of all . . . and the typical entrepreneur is more self-centered than other types, because he relies less than they do on tradition and connection and because his characteristic task — theoretically as well as historically — consists precisely in breaking up old and creating new traditions.

Our preceding discussion suggests that Doig and Hargrove's conception of leadership is cut from the same cloth woven by business management theorists. While the borrowing or "displacement of concepts" (Schon, 1963) from other fields is a viable strategy for theory construction, it can lapse into what Ramos (1981) refers to as the "misplacement of concepts."<sup>5</sup> It is argued that Doig and Hargrove have "misplaced" the concept entrepreneur in attempting to define the leadership role of public administrators in governance.<sup>6</sup> The concept entrepreneur and its intrinsic characteristics, domination and forced submission, excessive risk taking, and disrespect for tradition is inappropriate for describing leadership in the administrative state. Furthermore, the "misplacement" of this concept is dangerous in several respects.

First, the notion of entrepreneurial leadership tends to perpetuate a romanticized view of leadership that obscures our vision and distorts reality. The view that leaders of governmental institutions must impose their will on the world to "make a difference" is a myth (Kaufman, 1981), a reflection of "poetic exaggeration" better suited for song and legend (Friedrich, 1961). Public administrators are not obliged to accept the challenge of fulfilling unrealistic role expectations that require that they become a "cross between Superman and Knights of the Round Table" (Drucker, 1985, p. 139).

Second, the entrepreneurial perspective advocates the radical reconstruction of institutions that may be performing legitimately defined social functions that are a direct product of social needs and aspirations. In doing so, little attention is devoted to the long-term consequences for these institutions or society in general. We must not subject our valuable institutions to what Edmund Burke (1790) refers to as the "mercy of untried speculations." Poorly conceptualized administrative actions can affect institutions and ultimately society in unintended and unanticipated ways (Merton, 1936). This point was noted by Clark (1956, p. 327) in his discussion of organization adaptation and precarious values: "Where a number of organizations undergo a similar value transformation, the change may shape the value system of the larger society."

Finally, the entrepreneurial leadership perspective encourages the abandonment of tradition, the normative anchor that governs the rational action of public administrators. This is especially troublesome for, as Selznick (1987, p. 457) informs us, "the rational action of individuals and groups must be anchored in some way." Consistent with views of Burke (1790), Selznick argues that rational action must be grounded in tradition (1987, p. 458). When public administration theorists encourage leaders to disregard tradition, they are in essence asking them to abandon their rational basis of authority. Authority in this context is defined as the "capacity for reasoned elaboration" grounded in the funded experience, or tradition of the political community (Friedrich, 1972, 1958).

In summary, the entrepreneurial leadership perspective is not useful for clarifying the role of public administrators in governance. The "displaced concept" entrepreneur is "misplaced" when applied to leadership in the administrative state. As we engage in theory building to clarify the leadership role of public administrators, we must keep in mind the comments of Ramos (1981, p. 61): "Any discipline must have a modicum of intolerance in its transactions with other disciplines, otherwise it will

lose its reason to exist. To have identity and character is in a sense to be intolerant."

### A CONCEPT OF ADMINISTRATIVE CONSERVATORSHIP

The entrepreneurial view poses a serious threat to public institutions and the proven leadership practices that have sustained them. It is argued that a type of leadership called *Administrative Conservatorship* must be a central focus of a society contemplating its leadership requirements. Administrative Conservatorship is leadership based upon the ancient concept of authority—authority viewed as the "capacity for reasoned elaboration" grounded in the beliefs, values, and interest of the community (Friedrich, 1958, 1961, 1972). Administrative Conservatorship is statesmanship in the tradition of Edmund Burke, the eighteenth century British politician and philosopher, as it requires "a disposition to preserve and an ability to improve." Administrative Conservatorship is also an intellectual progeny of the institution school in sociology, particularly as manifest by Philip Selznick (1952, 1957).

The term *Conservatorship* was coined to characterize an administrative leadership role that has been seriously neglected by past organization theorists.<sup>7</sup> The term is derived from the Latin word *conservare*, meaning to preserve. Someone who engages in the act of preserving is defined as a conservator. More specifically, a conservator is a guardian, someone who conserves or preserves from injury, violation or infraction. From an institutional perspective, Administrative Conservatorship is a dynamic process of strengthening and preserving an institution's special capabilities, its proficiency, and thereby its integrity, so that it may perform a desired social function.

Administrative Conservatorship is not an attempt to preserve a comfortable or static state. Selective adaptation to changing circumstances is obviously an ongoing necessity. As prudently stated by Selznick (1957, p. 149), "To the essentially conservative posture of the responsible leader we must add a concern for change and reconstruction."<sup>8</sup>

Administrative Conservatorship is also not a process that concentrates solely on fulfilling the needs of organizational members, as it is linked to much broader considerations. Properly conceptualized, Administrative Conservatorship is the willingness of administrative elites, out of traditional loyalty and moral principles, to *preserve* authority and distribution

of power with regards to the propriety of an institution's existence, its functional niche, and its collective institutional goals. In the final analysis, Administrative Conservatorship is concerned with the ever-present question: What are the long-term effects of existing or proposed actions on the preservation of institutional integrity? (Selznick, 1957).

The significance and meaning of the terms "institution," "institutional integrity," and "administrative elites" must be clarified. The term "institution" as conceptualized here is consistent with the definition offered by theorists of the institutional school in sociology and is best represented by the works of Selznick (1957, 1952). For analytical purposes, the institution is differentiated from an organization, which is a rational, means-oriented instrument guided by the "cult" of efficiency (Selznick, 1957). The institution is considered a creation of social needs and aspirations; it is an adaptive, responsive, cooperative system (Barnard, 1938) that embodies cultural values (Selznick, 1957). The cultural values and moral commitments of a society are implanted in its institutions (Selznick, 1952). In short, institutions represent the "ethos of the culture, its particular way of self fulfillment" (Selznick, 1952, p. 295).

While some critics, most notably Perrow (1986), question Selznick's distinction between organization and institutions, their criticisms are rejected for the following reasons. First, Perrow argued that Selznick's distinction was the product of an era [1950s] preoccupied with order and stability. He did not, however, address the substance of Selznick's conceptualization of the institution. Moreover, a careful review of Perrow's overall critique tends to suggest that he may have ignored the original purpose of the organization/institution distinction. Selznick explicitly stated that the distinction is a "matter of analysis and not direct description" (1957, p. 5) and was not intended to suggest that any cooperative system is exclusively one or the other. In fact, it is quite possible for the social entity to be a combination of both. This distinction was offered as an alternative to the rationalist school of organization theory that embraced efficiency as its dominant value (Wolin, 1969).

Because our society is made up of numerous institutions ranging from private industry to organized religion, it is necessary to define the type of institution with which we are concerned. Administrative Conservatorship relates to government institutions. More specifically, it addresses those "agencies that have grown up in the executive branch of all levels of government and which are the instruments of the pursuit of the public interest" (Wamsley et al., 1987). While government institutions are the

central focus, some aspects of Administrative Conservatorship may apply to other public and private institutions as well.

The next term, "institutional integrity," is central to the concept of Administrative Conservatorship. The preservation of institutional integrity is "one of the most important and least understood functions of leadership" (Selznick, 1957, p. 63). Barnard (1948, p. 89) says:

The primary efforts of leaders need to be directed to the *maintenance* and guidance of organizations as whole systems. I believe this to be the most distinctive characteristic sector of leadership behavior, but it is the least obvious and least understood. The leader has to guide all in such a way to *preserve* organization as the instrument of action [emphasis added].

Institutional integrity is related to the notion of "distinctive competence," the special capacities, abilities, and proficiencies possessed by the agency in the performance of particular functions (Selznick, 1957). An institution's distinctive competence is developed by a combination of value commitments made by policy makers. Value commitments are decisions that obligate and bind institutional activities and processes to specific courses of action. They are "choices that fix the assumptions of policymakers as to the nature of the enterprise" (Selznick, 1957, p. 55). Administrative decisions relating to institutional purpose, means for its accomplishment, and the social composition of the members are examples of areas bound by value commitments (Selznick, 1957). Value commitments vary in terms of their importance to the formation and maintenance of an institution's distinctive competence. Some value commitments may be considered "hypersensitive" since they provide the structural foundation of an institution's distinctive competence.

The notion of distinctive competence is the core of what we define as "institutional integrity." The term integrity refers to the completeness, wholeness, and intact quality of an entity. In the context of Administrative Conservatorship, "institutional integrity" refers to the completeness, soundness, and persistence of administrative processes and value commitments that determine an institution's distinctive competence. The preservation of institutional integrity is an important area of administrative concern. As noted by Selznick (1957, p. 139):

The protection of integrity is more than an aesthetic or expressive exercise, more than an attempt to preserve a comforting, familiar environment. It is



a practical concern of the first importance because the defense of integrity is also a defense of the organization's *distinctive competence*.

Let us use the Federal Bureau of Investigation (FBI) to clarify further the notion of distinctive competence and its relationship to institutional integrity. The FBI, under the direction of J. Edgar Hoover, developed a distinctive competence as an effective investigative and law enforcement agency skilled in apprehending criminals.<sup>9</sup> The slogan "the FBI always gets its man" is reflective of this distinctive competence. Hoover made several value commitments that created this distinctive competence. For example, he controlled the social composition of the agency through the selective recruitment of personnel. Only those candidates with backgrounds in law and accounting were considered desirable, which committed the FBI to the selection and recruitment of individuals from high prestige occupations. It has been documented that lawyers and accountants traditionally tend to rank high in terms of occupational prestige (Stevens & Fetherman, 1981).

Hoover also created a specialized law enforcement training academy to socialize recruits and to expose them to the most advanced techniques in the field of law enforcement. Finally, Hoover instituted strict standards pertaining to dress and supervision (Lewis, 1980). The combination of the aforementioned value commitments produced a distinctive competence as a highly skilled investigative and law enforcement organization.

It is concluded that an institution's integrity is measured by the extent to which its distinctive competence is intact. For example, the FBI's integrity, during the formative years of the Hoover administration, could have been negatively affected if the agency processes and activities that produced its distinctive competence were altered or impaired. If the processes of recruitment, selection, and socialization were corrupted in any fashion, the net result may have eroded (or undermined) the agency's distinctive competence and thereby its integrity as an effective investigative and law enforcement organization. These processes and the assumptions underpinning them were, then, "hypersensitive" value commitments because they were instrumental in producing the agency's distinctive competence. The strength and persistence of these processes performed a significant role in preserving the agency's integrity.

The final term, "administrative elites," does not necessarily mean or imply aristocrats in the traditional sense. Rather, it refers to those individuals or groups who are responsible for the promotion and conservation of

social values (Selznick, 1957). While egalitarians may find the term "elite" somewhat unsettling, the position advocated here is that elites are essential to the perpetuation and preservation of our society as they are the bearers and conservators of cultural values (Gardner, personal correspondence, April 8, 1986; Mannheim, 1940; Michels, 1949; Mosca, 1938; Pareto, 1935; Selznick, 1952).

In the context of Administrative Conservatorship, elites are public officials who are neither elected nor politically appointed, but who hold administrative positions by virtue of a merit system. These officials have some influence on public policy through the exercise of their administrative discretion (Rohr, 1978). Administrative elites are "bureaucrats" as honorably defined by Rohr (1978) or those "near the top" (Corson & Paul, 1966). As administrative elites, public administrators are responsible for the perpetuation and conservation of "regime values," that is, "values of the political entity that [were] brought into being by ratification of the Constitution that created the present American republic" (Rohr, 1978, p. 59). Equity, freedom, property, and the general welfare of the citizenry are examples of regime values (Rohr, 1978). The Constitution is the foundation of our society, and symbolizes its frame of mind. As stated by Will (1983, p. 79):

The Constitution does not just distribute power, it does so in a cultural context of principles and beliefs and expectations about appropriate social outcome of the exercise of those powers . . . A constitution not only presupposes a census of "views" on fundamentals; it also presupposes concern for its own continuance. Therefore, it presupposes efforts to predispose rising generations to the "views" and habits and dispositions that underlie institutional arrangements. In this sense, a constitution is not only an allocator of power; it is also the polity's frame of mind.

When public administrators take an oath to uphold the Constitution, they are not pledging allegiance to a system of radical change (Will, 1983). Rather, they are making a moral commitment to the continuance of constitutional processes that encompass particular values, beliefs, and interest (Rohr, 1986, 1978; Will, 1983).<sup>10</sup> This commitment is expressed in practical terms through their fidelity to duty in the administration of governmental institutions, as such institutions are a repository of values embodied in our Constitution. It is through such institutions that the authoritative allocation of resources is made to sustain our Republic's cohesion and moral balance (Wamsley & Zald, 1976; Will, 1983). As a

repository of regime values, governmental institutions must be conserved as the strength of cultural values is contingent upon the capacity of primary institutions to transmit them without serious distortion (Selznick, 1952).

The perpetuation of cultural values is dependent upon the security of key institutions (Selznick, 1952). Security in this context implies stability, strength, and overall integrity. Ensuring security of governmental institutions is, to a large extent, the responsibility of public administrators because they are instrumental in providing continuity and stability. This role is especially important in a democratic system where political appointees are merely temporary custodians of governmental institutions (Seidman, 1980; Heclo, 1977).

The efforts of public administrators to preserve the integrity of governmental institutions affords them the distinction of being called Administrative Conservators. As conservators of governmental institutions, public administrators are active and legitimate participants in "statecraft." Statecraft, as aptly suggested by Will (1983), is "soulcraft" as it involves the "conservation of values and arrangements that are not subjects of day-to-day debate" (1983, p. 156). "Soulcraft" does not imply the conservation of values espoused by a particular political party nor does it suggest the preservation of passing whims. Rather, "soulcraft" entails the conservation of "regime values," which is a natural and moral obligation. The preservation of governmental institutions and, in turn, regime values reflects the normative quality of Administrative Conservatorship; a quality sorely needed and lacking in most contemporary views of leadership.

It must be noted that because some regimes are fundamentally unjust and even immoral, it is difficult for the public administrator to be a "good human being and a good citizen at the same time" (Rohr, 1978). Germany's Third Reich is a case in point. It is also possible for public administrators to circumvent regime values as illustrated by the actions of J. Edgar Hoover at the end of his reign (Lewis, 1980) and Anne Burford during her tenure as administrator of the U.S. Environmental Protection Agency. Their actions did not constitute Administrative Conservatorship.

Administrative Conservatorship may be regarded as a kind of statesmanship. It requires balancing the inherent tension in our political system between the need to *serve* and the need to *preserve*. Public administrators must be responsive to the demands of political elites, the courts, interest groups, and the citizenry, while at the same time preserving institutional integrity. Public administrators must not be weak or subservient. Nor must

they be "empire builders" or public entrepreneurs conceptualized in a pejorative sense. Rather, public administrators must honorably hold up the administrative side of the governance equation. As stated by Paul Appleby (1949, p. 119):

Administrators share with all others in places of special responsibility the special obligation of *leadership*. They can, in all innocence, contribute to organizational practices and form elements that are inimical to popular government. They can help "take things out of politics"—or take themselves too far out of politics. They, like citizens and legislators, are capable of yielding too much to the prestige of military or other experts, too little to the politician who is the central factor in civilian control and popular government. By dealing with the legislature too directly, they may undermine and confuse executive responsibility; by the same tactics they may inadvertently substitute control by members of Congress for control by Congress as a body. By failing to be imaginative about legislative needs, attitudes, and prerogatives, they may overburden, and thus degrade the legislature. Their *special duty* is in part to help clear the way so that other parts of government and the other political processes may function well [emphasis added].

The concept of Administrative Conservatorship provides a valuable perspective in which public administrators and others may view their role in the governance process. It is offered as a means of restoring respectability to public administrators and the public service. The concept of Administrative Conservatorship is also offered as an alternative framework in which to measure administrative leadership effectiveness. Such a perspective is sorely needed, for the importance of conserving public institutions has been virtually ignored by public administration theorists.

## NOTES

1. Selznick (1957, p. 143) defines opportunism as the "pursuit of immediate, short-run advantage in a way inadequately controlled by consideration of principle and ultimate consequences."

2. In addition to the sources cited here, the interested reader should see Schein (1985), Peck (1985), Kanter (1983), Maidique (1980), Spector (1987), and Kouzes and Posner (1987).

3. The term *charisma* as used by many contemporary organization theorists, especially students of private institutions, is based on the definition offered by Weber. As Friedrich (1961, p. 15) points out, Weber defines *charisma* as "a quality of a person which is believed to be unusual . . . and on account of which such a person is valued as (equipped) with supernatural or superhuman or at least with specifically unusual powers and qualities which are not accessible to others". Friedrich argues that Weber's conception of charisma is "value-free" and inconsistent with the term's original meaning. He suggests that "charisma" had religious connotations and meant "leadership based upon a transcendent call by a divine being believed in both the person called and those as to whom he had to deal in exercising his call" (1961, p. 14).

4. According to Goodsell (1986, p. 9), administrative biographies are useful for teaching history, conveying values, and instilling a "sense of dedication and commitment."

5. According to Ramos (1981, p. 63), the "misplacement of concepts takes place when the extension of a theory model or concept of phenomenon A to phenomenon B does not hold up after a thorough examination because phenomenon B belongs to a peculiar context whose specific characteristics correspond only in limited ways to the context of phenomenon A."

6. These authors seemed to have ignored the public-private distinction in organization theory. For a discussion of this point, see Perry and Rainey (1988), Perry and Kraemer (1983), Rainey (1983), Rainey, Backoff, and Levine, (1976), and Appleby (1945).

7. Carl J. Friedrich (1961) in his essay on political leadership uses the term *conservator* in discussing what he refers to as "maintaining leadership." Administrative Conservatorship is consistent with Friedrich's concept applied at the institutional level.

8. Edmund Burke (1790) makes a similar point when he says: "We must all obey the law of change. A state without some means for change is without the means for its conservation" (p. 19).

9. J. Edgar Hoover, The FBI's controversial director, is merely used as an example to demonstrate how the selection of value commitments contribute to the development of an institution's distinctive competence. Hoover does not fit the description of the Administrative Conservator advanced here.

10. See John A. Rohr (1986) *To Run A Constitution* for an insightful discussion on the oath of office.

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*Estimates from survey research place the number of volunteers at nearly half the American populace. This article finds, in contrast, that the percentage of volunteers who satisfy the needs of public organizations for delivering services is far smaller and decreasing. Moreover, local governments may well be at a competitive disadvantage to nonprofit agencies in attracting and sustaining their contributions. The article concludes with a discussion of strategies to enhance recruitment efforts.*

## **THE AVAILABILITY OF VOLUNTEERS**

### ***Implications for Local Governments***

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**Although the use of volunteers** in the delivery of public services is hardly new, the approach achieved unaccustomed prominence in the 1980s. Throughout the decade, a number of significant developments — cutbacks in funding, limitations on taxation and revenues, escalation in citizens' demands, deterioration of infrastructure, and changes in the demographic composition of the population — exacerbated pressures on local governments to provide services more efficiently. In part, the growing appeal of volunteer utilization lies in its potential to yield savings in public sector labor costs and thus meet these large challenges. Of equal importance is the association of volunteerism with traditional American values. Both Republicans (President's Task Force on Private Sector Initiatives, 1982) and Democrats (Democratic Leadership Council, 1988) urge expansion of volunteerism (in government and elsewhere) as much for its merits for

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citizenship, democracy, and community as for its anticipated impact on services.

Volunteers are no longer a hidden resource. Contemporary discussions of alternative arrangements for the delivery of public services routinely include government utilization of citizen volunteers (for example, Demone & Gibelman, 1983; Hatry, 1983; Hatry & Valente, 1983; Savas, 1982; Shulman, 1982; Valente & Manchester, 1984). These treatments elucidate possible gains to be realized through the method, such as improvements in service quality and amount, cost effectiveness, and the supply of trained recruits for paid positions, as well as important liabilities, for instance, the uncertain reliability and motivation often attributed to this novel work force and the likely resistance of regular employees. Yet this literature has overlooked a factor critical to the approach: the availability of volunteers to local governments and its implications for these organizations.

### DEFINING GOVERNMENT VOLUNTEERS

Any attempt to measure volunteer availability must present a definition of the key term. Little consensus exists on its parameters. "Efforts to measure the incidence and amount of volunteer activity are complicated by the fact that not only can researchers in the area not agree upon a clear definition of what constitutes volunteer activity, but it is likely that the public has varying perceptions as well" (Gallup Organization, 1981, p. ii). Within public administration and political science, volunteering has been variously understood as involvement in community and neighborhood associations, participation on citizen panels or review boards, membership in civic groups or clubs, advocacy on social issues, campaign work for political candidates, as well as holding an unpaid position in an agency. As Van Til (1988) has recently demonstrated, untangling the rich assortment of meanings ascribed to voluntary action is a formidable undertaking. For the more limited purposes of the present inquiry, however, specifying the conditions that volunteer labor should satisfy to meet the requirements of local governments for delivering services is a far less daunting task.

First, this analysis focuses on programs within government agencies and departments. These organizations carry out recruitment, training, and supervisory functions and place volunteers in service-delivery and sup-

port roles. Although a great many nonprofit organizations are also devoted to public purposes (for example, United Way, Red Cross, etc.), they are not governmental institutions. Hence public-private partnerships in which government-funded services are provided through these organizations or in cooperation with them do not constitute government utilization of volunteers (unless, of course, the public agencies involved employ volunteers). In fact, the growth of the nonprofit sector, which relies heavily on volunteer labor, may make availability increasingly problematic for public agencies interested in the approach (see below).

Second, volunteers receive neither monetary nor in-kind payment for the work they donate to local governments. Although voluntary action need not be contrary to an individual's self-interest—volunteering provides ample opportunity for benefits of career exploration and development, sociability, and different forms of personal enhancement—this behavior is oriented toward helping others. Just as volunteering is not aimed at material gain, it cannot be mandated or coerced (Van Til, 1988, pp. 5-9). Thus defendants in court-ordered restitution programs requiring community service do not meet the definition.

A third condition pertains to the level of commitment of time and energy made by volunteers to local governments. Although virtually any donation of labor may seem welcome, particularly in a period of fiscal stringency, sporadic or one-time-only contributions are difficult to integrate into established organizational work routines and may even prove counterproductive when the costs of volunteer recruitment and training are taken into account (see Percy, 1984, p. 437). For this reason, some charitable organizations require volunteers to dedicate a minimum number of hours to the agency. The jobs held by volunteers help local governments to meet actual needs and fill existing gaps in the services and programs (Farr, 1983, p. 8). They do not consist of "make-work" tasks but, instead, have a market counterpart (Wolozin, 1975, p. 23). As a consequence, a regular investment of volunteer time is necessary for effective work performance.

In sum, government volunteers make an ongoing commitment of their time, energy, and skills to local bureaucracies to assist in the production of publicly financed goods and/or services. These individuals surely garner psychic, social, and other rewards from their labor, but the primary beneficiaries are the clients served through government programs. Although volunteers are not compensated materially for their efforts, they carry out tasks with market value to recipient organizations. The scope of

this activity suggests its importance to local governments: More than half (56.5%) of U.S. cities with a population of over 4,500 employ volunteers in the delivery of at least one service (Valente & Manchester, 1984).

### **THE AVAILABILITY OF VOLUNTEERS TO LOCAL GOVERNMENTS**

No comprehensive study has been undertaken of citizens willing to donate their time to government agencies. Consequently, estimates of availability must remain tentative. Nevertheless, based on survey research concerning the voluntary behavior of the American public, it is possible to address the availability issue. The definition of volunteer offered here guides these estimates.

The Gallup Organization has conducted two major surveys probing citizen volunteerism, the first in 1981 and the second in 1985. The Independent Sector, a nonprofit coalition of some 600 corporate, foundation, and voluntary organizations, commissioned both surveys and chose to define volunteering very broadly as "working in some way to help others for no monetary pay." While this definition encompassed traditional kinds of volunteer activity—such as donating time to a hospital, school, or civic organization—it also produced responses that as the Gallup Organization (1981, p. iii) acknowledged, "might normally not have been classified as volunteer activity." Examples include singing in a church choir, taking care of a neighbor's pet, and helping a friend move.

Even with such an expansive definition, the incidence of volunteering appears to have declined, from 52% of the American public in 1981 to 48% in 1985. According to the Gallup Organization (1986, p. 8), the decrease is not statistically significant, yet were these independent random samples the t-test of difference in proportions would yield a test statistic of 2.33, significant at the 0.01 level. More important, a second national survey conducted in 1985 substantiates the decline: Using a virtually identical definition ("helping others in some way for no monetary payment"), Yankelovich, Skelly, and White reported that 47% of Americans volunteered during the year (Hodgkinson & Weitzman, 1986).

While the rate of volunteering may have fallen, these data suggest that the absolute level remains quite high, at least as assessed by the Independent Sector. For purposes of the utilization of volunteers by local govern-

ments, however, these estimates are inflated. The Gallup surveys ascertained further information that can yield more accurate estimates of the pool of volunteers potentially available to public agencies.

Questions regarding the frequency of voluntary behavior and the number of hours donated can help to differentiate those who contribute their time on a regular basis from those who make a sporadic or one-time-only commitment. The Gallup estimates refer to any act of volunteering during the specified year. Citizens who report such activity over a shorter time interval, for example, in the past month or week, are more likely to be regularly involved in volunteer work than are those who participated only in the preceding year. In the 1985 survey, 36% said that they had volunteered in the past month, and one-quarter (24%) had been active in the past week (Gallup Organization, 1986, pp. 2-4).

Data on the number of hours donated allows further refinement. The Independent Sector advises that "if an individual has done no volunteer work or has spent less than one hour per week on volunteer work during the last week we may speculate that the individual is in volunteer work on a sporadic basis or for a one-time cause" (Gallup Organization, 1986, p. 3). In 1985, while most of the weekly and monthly volunteers had given a minimum of two hours per week, application of this criterion reduces the quantity of "regular volunteers" to between 20% and 24% of the population (Gallup Organization, 1986, pp. 28-31). As intimated by the overall rates of volunteering, the size of this group also appears to have declined since 1981, and when the initial Gallup (1981, pp. iv-v) survey found that 31% of Americans had donated two or more hours per week.

These figures provide a more accurate assessment of the percentage of volunteers who contribute time on an ongoing basis, but they continue to overstate their availability to local governments in two ways. First, many volunteers prefer to donate their time "informally" or alone, that is, outside of an organizational setting. Based on an analysis of major surveys of voluntary activity, Weitzman (1983, p. 271) concluded that "it is apparent that volunteer work performed in informal settings is substantial," perhaps as great in the aggregate as that contributed to organizations. In 1985, informal volunteers may have represented as many as one-third of the citizens donating time on a weekly or monthly basis. (Because multiple responses were permitted to determine the types of activities engaged in by volunteers, precise estimates of the percentage involved solely in informal work are not feasible; see Gallup Organization, 1986, pp. 28-31.) This group is likely foreclosed to public (and other) organizations.

Second, previous research (for example, ACTION, 1974; Gallup Organization, 1981; U.S. Department of Labor, 1969) has established that religious organizations are the recipients of a very large proportion of all voluntary activity. The 1985 Gallup survey confirms this finding. More than 40% of those who had volunteered in the past week or in the past month donated time to religious organizations (Gallup Organization, 1986, pp. 28-31). Due to the multiple-response format, the percentage involved in religious work exclusively cannot be determined, but religious organizations attracted at least twice the number of volunteers as did any other type of organization. Whether many of these volunteers should be considered as potentially available to local governments is questionable.

According to its broad definition of the term, Independent Sector (1986, p. 4) is correct that "volunteer activity remains a pervasive activity for nearly half of the American population." Nevertheless, the present analysis indicates that the percentage who regularly donate their time in an organizational setting to nonreligious institutions is less than half this great. This estimate may be overly generous: Weitzman (1983, p. 271) concluded that probably less than 15% of the population accounts for some 80% of the time that is contributed to recipient organizations. Although this pool may yet seem substantial, local governments are not the only—or even the most desirable—employers of volunteers. Moreover, other factors suggest a continuing diminution in supply.

### THE AVAILABILITY PROBLEM

Although the literature has not squarely recognized the limitations on availability, Duncombe's (1985, 1986) research demonstrates that this issue is of primary concern to those who administer government volunteer programs. In 1985, Duncombe surveyed local officials regarding volunteer utilization in 20% of cities with a population of 4,500 or more, obtaining a response rate of 78.5% ( $N = 736$ ). The problem cited most frequently (by a margin of nearly 20%) in cities with volunteer programs was "getting enough people to volunteer," identified by more than half the officials (56.2%). By contrast, the more prosaic obstacles to successful programs, such as volunteer supervision (37.8%), liability coverage (21.3%), support from managers (16.3%), and absenteeism (16.3%), lagged far behind (Duncombe, 1985, p. 362). In a follow-up to the 1985 survey, Duncombe examined volunteer programs in 40 cities in five

western states that use this service option extensively (California, Idaho, Nevada, Oregon, and Washington). Again, the most serious difficulty reported was, "I do not have enough volunteers." In interviews with volunteer supervisors, 31% considered this factor "a disadvantage" and another 10% "a major disadvantage" (Duncombe, 1986, p. 298). This was far more agreement than was found over the seven other potential liabilities given.

Several developments exacerbate the availability problem. First, the demand for volunteers is rising (Agranoff & Pattakos, 1984, pp. 79-81; Valente & Manchester, 1984, p. 71). As fiscal stringency has threatened the capacity of state and local governments as well as nonprofit organizations to maintain service levels, volunteers—especially those prepared to make ongoing contributions to an agency—have become an increasingly valuable resource. One of the responses made by the nonprofit sector to cope with federal budget cuts in the social services has been to place greater reliance on volunteers. The majority of volunteers give time to these organizations. In comparison, just over one-fifth (22%) give time to government bureaus (Gallup Organization, 1986, pp. 26-27). Nonprofit agencies typically enjoy a number of advantages in attracting and sustaining their contributions. These include a tradition of working with volunteers, flexibility of operations, closeness to the field, small scale, opportunity to tailor services to client needs, and greater diversity and less fragmentation in approach (Salamon, Musselwhite, & Abramson, 1984). As a result, in the absence of partnership agreements with nonprofit organizations, local governments may well encounter strong competition for suitable volunteers.

Despite these apparent advantages, anecdotal evidence suggests that the nonprofit sector has also experienced problems of volunteer availability. For example, the League of Women Voters experienced a decrease in membership of about 8% between 1978 and 1980, and between 1969 and 1979, the American Red Cross reportedly suffered a loss of one-third of its over two million volunteers (Clotfelter, 1985; 143). Demographic changes in the volunteer segment of the population are at least partially responsible. According to the Gallup surveys, between 1981 and 1985 the rate of volunteering (broadly defined) fell by 19% among single people, 11% among people aged 18 to 24, and 5% among women. Citing a need to arrest these declines, Independent Sector recently announced a major program to increase the knowledge and practice of voluntarism in nonprofit and government agencies (O'Connell, 1987, p. 104). Similarly,

Goetcheus (1984, p. 44) has urged government and other organizations "to find new ways to help the growing numbers of women in the work force plan to continue to be volunteers."

According to Schiff and Weisbrod (1986), a pair of important stipulations enacted by the Tax Reform Act of 1986 may further diminish the supply of volunteers: the reduction in personal income tax rates and the more restrictive treatment of the deductibility of charitable contributions. Because a drop in tax rates makes paid work more valuable to individuals, and, thus, increases their cost of donating time, Schiff and Weisbrod anticipate that volunteer labor should fall. In fact, estimates from survey research show that "a one dollar increase in the after-tax wage, for the typical individual, will reduce annual volunteering by 4.8 hours, or approximately 20% of mean hours volunteered" (Schiff & Weisbrod, 1986, p. 627). As leaders of nonprofit organizations fear, the reduction in the deductibility of charitable contributions will lessen monetary gifts. In addition, because giving money and time are complementary activities (Gallup Organization, 1981, 1986; Clotfelter, 1985; Hodgkinson and Weitzman, 1986), this change can be expected to decrease donations of time indirectly — and the impact could be much greater than the tax rate effect (Schiff & Weisbrod, 1986, p. 628). With respect to voluntarism, perhaps the only potentially positive influence of the 1986 tax code changes would be to augment income. If tax reform does so, it will tend to increase hours volunteered, although Schiff and Weisbrod (1986, p. 628) caution that "this effect need not offset the negative price effects mentioned above."

## DISCUSSION AND CONCLUSION

During the 1980s a series of changes in the environment of local administration have led cities and counties to give renewed attention to volunteers as a systematic method for the delivery of services. Studies and recommendations have concentrated on such practical matters as training, supervising and evaluating volunteers, and coordinating their labor with that of paid staff. Overlooked in that research, however, is the fundamental issue of volunteer availability. The present inquiry has argued that from the standpoint of organizations that rely on volunteers for service production, conventional survey research estimates of the size of the volunteering



public are markedly inflated, and that some of these agencies have already begun to feel the effects of a decline in supply.

Not all government volunteer programs should encounter this problem. Reeves's (1988, pp. 3-7) study of the Peace Corps and VISTA suggests that the fostering of a "commitment culture" within public organizations—a shared set of simply stated values, a clear sense of agency mission, an action orientation, and strong interaction with clients—can be a great asset in attracting volunteers. Throughout six presidential administrations, the success of the Peace Corps and VISTA in recruiting and retaining volunteers has covaried with the vitality of their organizational cultures. This conclusion is not limited to the two agencies but appears to apply more generally. Ilsley and Niemi (1981, pp. 11-15) emphasize that clarity of organizational mission and explicit recognition of the importance that both volunteer and paid staff contribute to its attainment are critical to program effectiveness. Because smaller size may promote a more easily identifiable sense of purpose, local governments may have an advantage in building and sustaining commitment cultures (Reeves, 1988, p. 6).

For public agencies whose missions or other attributes preclude such development, several options remain open to bolster volunteer programs. Chief among them is the careful design of nonpaid positions to appeal to needs of potential donors. As Pearce (1987) points out in her synthesis of research on volunteer motivation, the fact that volunteerism benefits others does not preclude participants from selecting work that also satisfies more personal objectives (see Van Til, 1988). Gidron (1980, p. 361) agrees that "volunteer workers are not totally altruistic; they want to do a worthwhile, rewarding job and they will try to make sure that the job they have chosen fulfills some of their needs." Shulman (1982, p. 6) concludes, "in general, volunteers are likely to participate in activities they enjoy and those that give them a feeling of accomplishment and personal growth." Perhaps the most effective volunteer recruitment strategy for local governments (or other organizations) is the creation of jobs that offer opportunities for challenge, interesting work, personal growth, and/or social interaction.

Second, cities and counties can take positive steps to facilitate and accommodate volunteer participation. For example, in response to shortfalls in recruitment suffered by community agencies in northern Virginia, a report recommended that the organizations extend operating hours to

evenings and weekends to adapt to the work schedules of potential volunteers (Borkman, 1986). Other means to support volunteering include the provision of child care for donors and reimbursement for expenses incurred, for instance, for meals and transportation; the New York State Legislature has considered such measures (Agranoff & Pattakos, 1984, p. 81). Local governments can also forge closer ties to private firms, especially the many which encourage and/or sponsor employee volunteerism. Because those who hold paid employment are more likely to volunteer than those who do not, "organizations and agencies . . . must look to the workplace as the most natural and potentially most successful way to reach and recruit those people into active service" (Vizza, Allen, & Keller, 1986, p. 20). This source may have the added advantage of yielding volunteers who can assist cities and counties in areas requiring high levels of technical expertise.

A third option open to local governments consists of encouraging and facilitating the service activities of self-help groups within the community. As elaborated in the coproduction literature, neighborhood associations and other citizen groups can have a significant effect on the level and quality of urban services (for example, Percy, 1984). Although public agencies may coordinate these endeavors, in contrast to government volunteer programs, participants do not work directly in or for these organizations (Valente & Manchester, 1984; Hatry, 1983). In addition to its benefits for service delivery, this model can assist localities in planning, decision making, communication, and program monitoring (Thomas, 1986). These efforts normally do not require a heavy time commitment from citizens (for example, monthly meetings and rotating assignments in a neighborhood patrol); much of their impact stems from sporadic campaigns for community beautification, fire prevention, and the like. In a period in which the percentage of volunteers willing to make an ongoing contribution in an organizational setting appears to be decreasing, alternative forms of voluntary action merit the attention of local governments.

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*Analytic confusion between the concepts "organizational constituent" and "organizational client" has prevented students of public administration from fully understanding one of the fundamental normative issues in urban governance. This conceptual confusion is symptomatic of a more general deficiency in public sector research, where the systematic application of concepts and approaches to the study of organizational environments has been inadequate. Students of public administration have much to learn from the interdisciplinary literature in organizational theory, where scholars have been more successful in designing conceptual and empirical analytic techniques for understanding organizational environments. Descriptive and prescriptive organization theory is also relevant to resolving normative issues in urban governance such as that described here in terms of the dichotomy between constituent and client.*

## **PUBLIC ORGANIZATION ENVIRONMENTS**

### *Constituents, Clients, and Urban Governance*

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**While students of public bureaucracy** have recognized the analytic distinction between the terms *organizational constituent* and *organizational client*, there has been a tendency in the professional literature to use the terms interchangeably.<sup>1</sup> This practice has led to analytic confusion, and has had a significant influence on both the questions we ask and the conclusions we derive in research on public organizations. Such analytic confusion is symptomatic of a more general deficiency in public sector

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research, where the systematic application of concepts and approaches to external organizational environments has been severely inadequate. This analytic shortcoming in public sector research is especially apparent when viewed in comparison to work that has been done by scholars in the field of generic organization theory.

In part, the confusion can be traced to the origin of the terms themselves. The term *client* comes to us from the sociological literature on organizations. It refers to customers or service recipients. Although it was clearly understood by private sector scholars that organizations must accommodate the needs of their clients in order to survive, the concept of *client* did not necessarily involve the notion of political accountability. The term *constituent* is derived from the political science literature on legislatures (e.g., Miller & Stokes, 1963; Turner, 1951). It refers to those population groups that elect a legislator to office and to whom an official is accountable. In a public sector context, the idea of political accountability or responsiveness is not merely important as a means of individual or institutional survival; it is based upon normative political values associated with the democratic principle of representation and the idea of a public trust.

References to administrative or agency constituents grew out of a later discovery by political scientists that public bureaucracies, even though they are not elected, are governmental institutions that make policy, allocate resources, and are in need of political support in order to maintain political legitimacy (e.g., Rourke, 1969). They therefore should be, can be, and are held politically accountable by outside groups. The two concepts (constituent and client) were merged analytically with the discovery of the "iron triangle" relationships that make up the political "subsystems" among interest groups, legislative committees, and public agencies (Freeman, 1955; Leiserson, 1942). The merger is reasonable in the sense that the constituency to which legislators and administrators are accountable are often one and the same with the agency client. In return for access, service, or favors, these constituent groups would support the election campaigns of legislators and the budget requests of the agency (Fenno, 1966, 1973; Wildavsky, 1964). Among the more apparent cases in point today are the U.S. Department of Agriculture, which draws support from the farm industry, and the U.S. Department of Commerce, which is supported by the business community. However, notwithstanding its compelling conceptual neatness in some instances, the analytic

union proves to be illegitimate when put under further scrutiny. Not all agency clients possess the political means to hold public officials accountable; therefore they are not all constituents in a real sense. Conversely, not all those to whom agency leaders are accountable are clients of the agency, but instead represent other interests with a stake in the policy process. I will elaborate on these two points in a later section of this article.

Although a discussion of the issue is relevant to a broader governmental context, this article will address the significance of the constituent-client distinction from the perspective of urban governance. The term *governance* is used here to refer to an institutional characteristic whereby a public agency is responsive to the needs of the citizenry it is supposed to serve. Governance encompasses the managerial goals of efficiency, economy, and effectiveness, and the political ideals of representativeness, responsiveness, and equity. I propose the following:

1. Although political scientists and students of public administration have brought a valuable normative tradition to the study of urban political institutions, there is evidence of a serious lack of conceptual rigor in their empirical approach to the study of institutional environments. This deficiency is inherent from the premises and principles upon which American public administration is based, and it has resulted in conceptual confusion of the kind noted above.
2. Recognition of the dichotomy between constituent and client in the external environment of public organizations is essential to understanding one of the fundamental dilemmas of urban governance. Failure to do so has diminished the capability of urban scholars to generate ideas that could lead to a resolution of the problem in governance.
3. Students of public administration have much to learn from scholars in the field of organization theory who have been more successful in designing techniques for analyzing, classifying, and mediating organization environments.
4. Although there has been progress made by public sector students in crossing interdisciplinary boundaries to organization studies, there remains a crucial need in the emerging field of public organization theory to integrate the normative framework of public administration with the conceptual, methodological, and empirical techniques that have been applied in generic research on organizations. Even though the field of organizational theory has not evolved from the same normative framework as public administration, descriptive and prescriptive theory developed through applied interdisciplinary research is relevant to the normative issues of government.

## AMERICAN PUBLIC ADMINISTRATION IN THE CLASSICAL MODE

The near exclusion of the external environment from systematic study in American public administration is part of a well-established intellectual tradition. The closed system approach was not merely an empirically descriptive paradigm of administrative behavior; it was a normative model of good government. Although commonly associated with the work of Max Weber, the classical model had two distinct though interrelated points of origin in the United States. One was the scientific management movement that evolved in the private sector, the other was the municipal reform movement against corruption and waste in government. Both movements were turn-of-the-century phenomena.

In its most orthodox form, that articulated by Frederick Taylor, scientific management was advanced according to the notion that one could isolate the critical variables of the work process for the purposes of observation, analysis, and manipulation (Taylor, 1948). It was based on a closed-system logic of control. The objective analysis of administration would allow one to prescribe the "one best way" of doing business, minimizing the influence of human subjectivity and discretion, and providing for the least amount of interference from factors outside the organizational boundaries. Good managerial leadership was marked by one's ability to make rationally optimal decisions in the service of the organization's most cherished goal, efficiency. Efficiency, in this closed-system form of logic, could be measured without ever looking outside the interior bounds of the organization, by establishing the relationship between inputs and outputs. The classical values of rationality and efficiency would have a place within the municipal reform movement beyond the operational dimension of public management. The application of objective standards for administrative decision making might reduce the impact of political influence and the concomitant corruption characteristic of party bosses. The impartial recruitment of personnel on the basis of merit through a newly developed civil service system could serve as an alternative to patronage.<sup>2</sup>

No writer better integrated the operational interests of scientific managers with the political ideals of the reformers in a single work than did Woodrow Wilson in his seminal piece on American public administration.<sup>3</sup> In terminology similar to the "one best way" dictum of Taylor, Wilson (1887) argued that there does exist "one rule of good administra-



tion for all governments alike" (p. 202). He believed that "the strictest rules of business discipline" should prevail in the public bureaucracy, and that "merit tenure and earned promotion must rule with every office whose incumbent has not to do with choosing policies" (p. 190). Thus politics and administration would be kept separate and apart. The role of the administrator was limited to the neutral execution of decisions made by policy makers. In the true democratic spirit such policy or value choices were to be left to elected officials.

Such was the synthesis of managerial and political concerns that led to the adaptation of the classical model to the public sector. The politics-administration dichotomy was a moral precept that emerged as part of the American notion of modern democracy. It did not allow for direct popular input in the management of everyday affairs. As Wilson (1887) wrote, "Self-government does not consist of having a hand in everything, any more than the housekeeping consists necessarily in cooking dinner with one's own hands. The cook must be trusted with a large discretion as to the management of the fires and the ovens" (p. 197). The classical notion of American democracy was more consistent with Rousseau's idea of the general will than it was with Jefferson's idea of the popular majority. Government service was seen as a sacred trust to be carried out in the best interests of the public, but not necessarily in response to the people's ordinary demands. It involved a vague notion of the public interest that overlooked the individualistic wants or needs of a diverse population. In the true Madisonian tradition, government, although democratic in spirit and procedure, would be one step removed from popular rule. After all, the gentleman reformers of the late nineteenth century had already suffered the experience of Jacksonian popularism, that "government by the people," which had brought waste, corruption, and ineptitude to the municipality. They would now hope to redeem the benefits of an administrative arrangement that was at least partially closed.

### **URBAN POLITICS AND GOVERNANCE: A CRACK IN THE CLASSICAL MOLD**

As early as the 1930's, Marshall Dimock (1937) offered one of the first formidable challenges to the validity of the politics-administration dichotomy. Paul Appleby (1949) would later explain that the exercise of political

influence over the administrative process in government is very much in accord with the principles of democratic government. It was to the credit of political scientists, particularly those concerned with the study of urban government, that as they began to perceive administrative agencies as political institutions, they applied normative standards of assessment to the performance of public bureaucracies.

The pluralist literature that captured a preponderance of thinking on urban politics during the sixties gave ample attention to the role of local bureaucracies in policy making (e.g., Dahl, 1966; Polsby, 1967; Sayre & Kaufman, 1960). The pluralist school came into being through the application and adaptation of Bentley's (1908) and Truman's (1960) interest group approach to the study of local government. The emergence of pluralism as a leading paradigm in the discipline represented a devastating blow to the idea that politics and administration could be kept separate. Researchers had begun to focus on the relationships between the urban bureaucracy and the various interest groups that populated their political environments. They had turned their attention to the exterior of the bureaucracy; however, in very much a classical mode, the logic of their thinking was still internally oriented. Now internal decision making was used as a barometer for assessing community power (see Dahl, 1958). Political scientists looked inside the bureaucracy to determine what was happening on the outside. Those political actors who participated in important decisions were deemed to be local influentials. Pluralistic participation was found tantamount to dispersed power, contrary to the assertions of power elite theorists of a previous generation. Without a systematic survey of the overall political environment, the qualities of openness, responsiveness, and fairness were assumed to be intrinsic characteristics of the system.

More thoughtful students of community power would eventually confront the middle-class bias of interest group politics (Schattschneider, 1960), the methodological limitations of decision analysis (Bachrach & Baratz, 1962, 1963) and the normative conclusions of pluralism itself (Bachrach, 1967; see also Viteritti, 1973). By the late sixties the pluralist model, and its inherent complacency with the condition of urban government, would be discredited in academic circles. There was certainly nothing within the power of social science that could provide a more telling commentary on the crisis in urban governance than the widespread civil disorder that swept across American cities in the sixties. A good deal of the criticism directed against pluralism by urban scholars, was as much

a product of political persuasion and moral outrage as it was of scientific research. Likewise, institutional reforms advanced under the banners of participation, decentralization, and community control were ideologically based and often without a sound empirical foundation (see Lowi, 1969).

### **THE MINNOWBROOK PERSPECTIVE: POLICY ANALYSIS, EQUITY, AND REFORM**

It was in September of 1968 when a group of young scholars met at the Minnowbrook Conference Center at Syracuse University to articulate an agenda for a "New Public Administration." By that time social scientists had already assumed a significant role in engineering the policy and institutional reforms associated with Lyndon Johnson's Great Society (see, Donovan, 1967; Levitan, 1969; Moynihan, 1969). Political scientists in particular lent their analytic and persuasive skills to local initiatives designed to make urban political institutions more responsive to needs of a growing minority population in the inner city (see Altshuler, 1970; Kotler, 1969).

Minnowbrook was a response by academicians in public administration to several important phenomena that had emerged both in their own field of study and in the larger political and social environment. In part, Minnowbrook was a reaction to the behavioralism that had become fashionable in political science during the fifties and sixties. It represented a self-conscious attempt to reemphasize the normative value questions of governance that many researchers had neglected in their attempt to introduce scientific techniques to the study of politics. Concurrently Minnowbrook represented a commitment to apply the methods of policy analysis to the study of local institutions. Democratic values such as representativeness, responsiveness, and equity would be tested empirically by studying the policy outcomes of administrative and political decisions. They would no longer be assumed characteristics of the governmental system, nor would they be inferred by merely observing the behavior of those actors who participate in the process of internal decision making. In a rather novel way, the new scholarship established evaluative criteria and techniques that were external to the bureaucracy and other local institutions. Minnowbrook was also associated with the reform of institutions. Many of its proponents became identified with the demands

for political decentralization and community control that had achieved great popularity in academic and political forums. In the form of political advocacy, commendable normative values became distorted into ideological pronouncements, and lost touch with a substantial body of empirical evidence relevant to the issue of urban governance.

The campaign for decentralization and community control began with the notion that public bureaucracies at the local level are not responsive to the service needs of minorities. Responsiveness was perceived as a function of political power. It was claimed by the proponents of reform that the political power of minorities and the poor could be increased by changing the structure of administrative institutions. The plan for reform advanced by many academicians ignored a generation of behavioral research in political science that demonstrated a clear relationship between socioeconomic variables, such as income or education, and political variables, such as participation or power (e.g., Lane, 1959; Milbrath, 1963). By the early seventies a substantial research literature had emerged indicating that there was no discernible pattern of racial discrimination in the way that local bureaucracies distributed their resources or services (e.g., Benson & Lund, 1969; Bloch, 1974). It was found that internal rules of bureaucratic decision making contributed to a pattern of distribution that was equitable and, in some cases, even favorable to minorities and the poor (Levy, Meltsner, & Wildavsky, 1974; Lineberry, 1977). My own research, both primary and secondary, shows that equitable distributions are more likely to result when external political influence is minimized in the bureaucracy (Viteritti, 1979, 1982). The logic here suggests that the poor are at a distinct disadvantage when allocations are a function of influence; conversely, they are more likely to fare well when distributive decisions are made according to objective bureaucratic criteria of service need. Thus at times there appears to be a correlation between closed decision making structures and equitable outcomes. These findings contradict much of the thinking that grew out of the professional writing of the sixties, which associates the "closedness" of bureaucratic institutions with their inability to respond to public needs.

Nearly a decade of social reform had been devoted to the goal of making urban bureaucracies more open and accessible to the public so that these institutions could be sensitized to the demands of inner city populations. It was here in particular that a lack of conceptual clarity concerning constituent and client led us astray in terms of both our descriptive analyses and prescriptions for institutional and social reform.

Decentralization changed the procedural rules of administrative politics at the local level, but it is questionable whether it succeeded in altering the power relationships or levels of political satisfaction among different groups (see Cole, 1974; Yates, 1973). The "community revolution" (Bell & Held, 1969) was based upon the false assumption that urban service organizations are closed systems insensitive to their external environments. There was an implicit assumption among many of its advocates that an absence of client influence was tantamount to the existence of a closed system. There was an underlying expectation that increased openness would result in greater client control. The fact of the matter is that in many instances local agencies were already sensitive to external demands, but the constituency to which they were politically accountable was not representative of the agency client. And changing the structure of institutions or the rules of local politics would not necessarily alter the relationship between political constituents and service clients.

### **CONSTITUENTS, CLIENTS, AND THE PROBLEM OF GOVERNANCE**

Whether or not the identity of an agency's clientele is synonymous with its constituency is a function of two factors. The first is the level of political influence that the clientele actually holds. The second is the probability that there are powerful interests in the political environment other than the clientele who have a stake in the policies of the agency. Those agencies that provide services primarily to an economically poor and politically impotent clientele are not as likely to have as high a level of political accountability to their clientele as agencies who serve a broader based population.

I first came upon the dichotomy between constituent and client through the study of urban education (Viteritti, 1983). Although the focus of my work at the time was the politics of one particular city (New York), there are implications to be taken from my findings with more general applicability, (see Viteritti, 1986) and they are particularly useful here for the purpose of illustration. As the homogeneity of the population attending inner city schools has increased so that urban education has essentially become a poor people's service, the level of political influence and accountability enjoyed by client groups has declined. Thus in New York

City, while more than 70% of the school population is black or Hispanic, five of the seven members of the central school board are white. New York City had implemented one of the most ambitious experiments in decentralization and community control in the nation. However, there are clear cases in districts serving predominantly black and Hispanic clienteles where a white majority on the community school board has implemented policies that are discriminatory against minorities (Viteritti, 1983, p. 215-266). There are also strong indications that within the broader political environment of the city and state where education policy is made, organized professionals operate as a more potent political constituency than do representatives of client groups (Viteritti, 1983, p. 267-306). In a real sense the service clientele is not the constituency to whom decision makers are accountable. This problem of local governance, referred to here as the constituent-client dichotomy, is not limited to the field of education. It can easily be applied to health, social services, housing, or other services for the poor where organized professionals or other powerful interests exert a strong influence over the policymaking process.

A dichotomy between constituent and client may also be found in those policy arenas where the clientele of an agency is broad based and heterogeneous, such as fire protection, police protection, street maintenance, or sanitation. In such cases the appropriate question to ask is not just whether an agency is accountable to its clientele, but to "which clientele?" I have already cited research evidence indicating that in some closed systems of agency governance, bureaucratic rules of decision making based on client needs have resulted in equitable outcomes. However, sometimes closed systems of decision making are discriminatory. And, in open systems where decisions are a function of power, poor people do not generally fare well. In either of the latter two types of cases, not all the client groups in a heterogeneous political environment assume the role of agency constituents to whom policy makers are truly accountable.

In part, the dichotomy between constituent and client is a function of the economic environment. The phenomenon that Lowi (1969) called "interest group liberalism" thrived during a period of relative prosperity. As J. Q. Wilson (1980) explains it, client dominance in the political process results from a situation in which a relatively small, organized group benefits from policies in which the costs are widely distributed and perceived to be insignificant by the larger population. Client politics works when the incentive for a specialized group to support a policy outweighs the incentive for a broader political population to oppose it. In

such cases, the clientele is the only active political constituency in the policy arena. The clientele achieves victory by default, because of the apathy of the larger population concerning the issue at hand.

During a period of retrenchment or economic scarcity, the stakes of the political process are altered considerably. The allocation of resources to one particular policy area or service may very well result in the denial of resources to another. Thus individuals or groups that at one time did not perceive themselves to have an interest in a particular area become part of a growing attentive public, with a stake in curtailing the level of political and financial support provided to past policies. In such situations the subsystem breaks down and no longer works to the benefit of the client. The indication of such a breakdown may appear in the form of conflict over allocative decisions in which a broad-based political constituency attempts either to reduce resources to those agencies that serve specialized clients or to reallocate resources to those agencies that provide services to a larger heterogeneous population. The most dramatic manifestations of the demise of client politics emerged with the passage of Proposition 13 in California and Proposition 2½ in Massachusetts. However, as an indication of the growing dichotomy between constituent and client in the urban political environment, the decline of client politics can be witnessed in the ordinary course of the budgetary process at the local level.

As an issue of governance, a decline in the client prerogative represents a resurgence of the majoritarian politics that de Tocqueville and Madison warned could present its own form of "tyranny" in American democracy (see Dahl, 1966). It means that the kind of pluralist politics that at times allowed the system to accommodate the needs of small, specialized, and even dependent groups would be replaced by a form of decision making that is more responsive to the demands, if not the enlightened interests of the larger population.

The dichotomy between constituent and client is relevant to the issue of urban governance because it underscores the inability of the system to respond to the needs, wants, and demands of a diverse citizenry. Although an understanding of its significance can inform the political scientist at the governmental level and the student of public administration at the agency or institutional level, it is also pertinent to the work of the organizational theorist concerned with the behavior of individuals within the bureaucracy. The existence of this dichotomy in an organizational environment has a significant impact on the internal dynamics of the organization. Consider, for example the situation of the sanitation inspector who

is expected to enforce local ordinances against illegal dumping to protect local residences when he knows that policy decisions made at a political level impose fines upon violators that are less costly than the dumping fees they would have been required to pay. Or consider the health inspector who, despite numerous complaints from the residents of a poorly maintained building, is faced with an unspoken agency policy to refrain from full enforcement of the health code because powerful landlords have threatened to abandon their properties if fines are imposed. A professional ethos among public servants in such situations may dictate a primary commitment to the rights and claims of the client, but political realities may force one to negotiate these rights in light of the interests of a more influential constituent. Thus organizational members experience confusion with regard to expectations, behavior, loyalties, commitment, and the criteria by which performance should and will be evaluated. To use the terminology of Argyris and Schon (1974), the "espoused theory" of the organization and the "theory in use" that actually prevails are inconsistent.

The existence of a constituent-client dichotomy in an organizational environment also has a significant effect on the kinds of leadership demands that are made upon the agency head. It means that policies initiated and implemented on behalf of the client must often be carried on despite constituency pressure to do otherwise. Thus the agency head must juggle an inordinate amount of political demands, many of which are irrelevant or contrary to the interest of the agency client. It requires a leadership style based on temporary and fleeting alliances rather than the longstanding coalitions that characterize subsystem client politics. To adopt Thompson's (1967) framework, it becomes extremely important to maintain and protect a boundary of external interference—requiring that the agency head devote an extraordinary amount of energy to constituent groups, with the hope that it allows agency personnel to focus more attention on the wants and needs of clients. Such environmental demands force an executive to focus at least as much attention on the political aspect of organizational leadership as on the internal managerial role. We will return to the intraorganizational issues in a later section.

### **FISCAL STRESS: GOVERNANCE VERSUS CAPACITY**

While the "community revolution" was taking place in American cities, a very different kind of organizational innovation was occurring in



the federal government. There was major transfer of managerial technology from private industry, the purpose of which was to upgrade the operations of agencies. The new tool was systems analysis, its financial counterpart was program budgeting (see Hoos, 1972; Rivlin, 1971; Schlesinger, 1967). Systems analysis made its way prominently into the managerial operations of the cities during the late sixties (see Drake, Keeney, & Morse, 1972; Greenberger, Crenson, & Cressey, 1976). By the early seventies, there appeared a new emphasis in urban studies that focused on the concept of government productivity (Balk, 1975; Hayes, 1977; Ross & Burkhead, 1974). To the credit of those who employed it, the concept of productivity, as it then developed, went beyond the traditional concern for efficiency that was common among classical theorists. Efficiency was only one of several performance measures applied by productivity analysts. Perhaps influenced by the popularity of policy analysis and the normative dictates of Minnowbrook, urban scholars were now examining the effectiveness of services and the impact of bureaucratic decisions on the external environment agencies. Productivity analysis took performance evaluation beyond the organizational bounds of the bureaucracy, even to the point of using citizen satisfaction as a barometer of service quality (Hatry, et al., 1977).

One of the distinguishing characteristics of postpluralist political science is a stress on the theme of limits with regard to municipal government. Local government, we are told, is simply too constrained by socioeconomic conditions, interest groups, its fiscal capability, the courts, the federal and state governments, and a host of other prohibitive factors that inhibit it from implementing policies that measure up to its myriad problems (Banfield, 1968; Lowi, 1969; Peterson, 1981; Yates, 1977). It is not altogether an unreasonable theme given the fact that local governments had grown so fast during the fifties and sixties only to reach financial catastrophe in the seventies. The prominence of productivity analysis in the early seventies was indicative of a growing concern over the quality of local management. The concern would become even more pronounced by the middle of the decade with the outbreak of the fiscal crisis in New York and the subsequent occurrence of similar events in other large cities.<sup>4</sup>

Among the significant factors associated with the urban fiscal crisis in America is the longstanding problem of poor management. Recognition of the latter has generated a substantial body of literature that reflects a changing set of values among researchers in public administration. The

fundamental issue in municipalities during the sixties had been a crisis in governance that questioned their legitimacy and their capability to advance the interests of a changing populace. In an era characterized by fiscal stress there would emerge a new focus on management capacities (see, Gargen, 1981; Honadle, 1981; Honadle & Howitt, 1986). It would concern itself with those organizational practices, skills, and techniques that allow government to make better use of its resources. This trend has led urban scholars, including political scientists, to give more attention to such topics as financial planning, management information systems, and performance evaluation (see Viteritti & Bailey, 1986). It has placed a new premium on management accountability. Given the present state of local management and the fragile financial condition of many cities, this more recent surge of interest is both predictable and commendable. But it has come at some cost.

Urban scholars, particularly those in public administration, reacted to the fiscal crises by narrowing the scope of their research. A decade ago researchers could be complimented for developing standards of assessment that finally transgressed the internal boundaries of bureaucratic decision making to consider such measures as effectiveness, quality of service, and citizen satisfaction. Today in very much the classical mode we have, to a large extent, turned our attentions inward to the traditional issues of economy and efficiency. Serious efforts initiated by proponents of a "New Public Administration" to operationalize empirical research around normative issues have been overshadowed. Given the expectations articulated within the public administration profession not too long ago, surprisingly little research has been conducted that explains the impact that economies at the local level have had on dependent populations. There was a time when the central issue among urban political scientists was community power. Considering the aggressive role the financial community has assumed in designing and monitoring the economic recovery of major cities like New York, Chicago, Detroit, and Cleveland, there has been little written on the changing network of power in metropolitan areas.<sup>5</sup> We may criticize scholars of past generations for making unsubstantiated assumptions in response to the larger questions of governance, but today we seldom even ask these important questions. Our preoccupation with management has overshadowed the normative issues.<sup>6</sup>

If there is a visible dichotomy between constituent and client that can be observed in the urban environment at the institutional level, there may be a more dramatic division at the governmental level. On the one side

are those city residents who identify themselves primarily as service clients, who are dependent on local services, and have a direct stake in what will happen to the quality of their lives as a result of retrenchment. On the other side are those who identify themselves mostly as taxpayers, and the organized financial interests who demand economy measures and service cutbacks as a necessary means to fiscal recovery. In recent years it has been the latter group, with its crucial sway over the money market, that has begun to have a greater influence over policy choices at the local level. The major challenge before the present generation of urban scholars is to identify ways that might help resolve these dichotomies at various levels within the environment of urban governance.

### THE LIMITS OF PUBLIC ADMINISTRATION

Comparing fields of study in the social sciences is a difficult if not precarious endeavor. One's conclusions would by necessity tend to be more evaluative than empirical, thereby leaving the commentator open to extraordinary suspicion and criticism. There is considerable risk of overstatement, obliging one to acknowledge many exceptions to the generalities being asserted. Nevertheless, recognizing general inclinations among fields of study is relevant and important by virtue of the fact that such distinguishing characteristics do indeed exist. The emergence in public administration of a subfield some have called "public organization theory" (Rainey, 1983) makes comparative analysis particularly enticing, appropriate, and functional among students of the governmental sector. As an intellectual tangent pursued by an increasing number of scholars,<sup>7</sup> the development of public organization theory indicates a dissatisfaction with the traditional parameters of public administration and a growing inclination to cross interdisciplinary boundaries. Public organization theory, with its borrowing from the generic research on complex organizations, may represent an important means to understanding, explaining, and resolving the problems of urban government that have thus far been discussed.

One of the most debilitating features of the traditional approach to the study of public administration is that, for the most part, it operates on a single level of analysis, the institutional. It is not incidental that as our discussion of the dilemmas of governance began to address its implications in terms of individual leadership demands and internal organiza-

tional dynamics, our theoretical framework shifted from public administration to the organizational categories of Argyris, Schon, and Thompson. Except for decision analysis, the study of human behavior at the micro level of organizations has not been a central focus of public administration. An area of scholarship that originally emerged as a subfield of political science and government, public administration became absorbed in the study of political institutions, most specifically the administrative branch of government or the bureaucracy. Notwithstanding a substantial body of important work on the subject, there also evolved a tendency in the professional literature to treat bureaucracy as an institutional caricature of inefficiency, ineptitude, and inequity bolstered politically by inordinate and illegitimate power.<sup>8</sup> It is no wonder that bureaucracy took much of the blame for the problems of urban governance that became apparent in the sixties. Nor should it be surprising, given the traditional framework of public administration scholars that their primary solution to the problem of governance was institutional reform.

A great irony of public administration is that, with its concentrated focus on institutional analysis, its approach to the study of institutional environments was left so wanting.<sup>9</sup> As an offshoot of political science, designed to train individuals for governmental service, the field produced amazingly little prescriptive theory to instruct practitioners on how to succeed in this demanding environment. Contemporary public sector scholars must design techniques for better understanding the complex environments in which public organizations exist. But more important than this is the need to determine how individual actors at various levels of public organizations can mediate the paradoxical forces in these environments so that institutions are capable of achieving the normative goals of government. As Argyris (1972) has pointed out, it is inaccurate to state that one can study an organization as a whole if one selects to ignore the critical behavioral aspects that create the whole. If public administration is to succeed as an applied field of study, then better understanding must serve as an instrument for improved governmental practice.

## THE RELEVANCE OF ORGANIZATION THEORY

As a field of inquiry, organizational studies proceeds with adept facility on a variety of analytic levels, and the result has been a substantial body of

descriptive and prescriptive theory that is both academic and practitioner-oriented. The early involvement of social psychologists in organizational studies would bring a serious challenge to the classical model that questioned what the mechanistic approach of Taylorism could do to the human spirit. As Etzioni (1961) explains it, the central issue in modern organizational studies is a recognition of the inevitable conflict between individual goals and institutional goals. While the problem seemed to have escaped public sector scholars for the most part, a considerable research literature would evolve designed to help practitioners mediate such tensions. Chester Barnard (1938) has added a new dimension to the managerial role by defining leadership beyond rational decision making to involve the regulation of a system of individual incentives. Herbert Simon (1945) would later attempt to integrate the behavioral concerns of social psychologists with the rationalist modes of decision-oriented thinkers. Simon's "neo-classical" approach to the study of organizations would further develop Barnard's incentive theory, define the limits of administrative rationality, and even recognize that it is possible for the external environment to exert influence on the internal functioning of organizations. With James March, Simon would go on to demonstrate that a scarcity of resources in the external environment has a causal effect on the level of internal conflict (March & Simon, 1958). Cyert and March (1963) would later develop a behavioral theory of the organization designed to describe how organizational actors respond to and resolve such conflict. Etzioni (1961) and Perrow (1961) eventually introduced the concepts of power and conflict into organizational models of goal formulation. Today, despite its relevance to the central issues of political science, the study of organizational power continues to be dominated by interdisciplinary organizational scholars (e.g., Allen & Porter, 1983; Bachrach & Lawler, 1980; Mintzberg, 1983; Pfeffer, 1981) and remains outside the mainstream of public administration research.

As the "open system" approach grew popular in the professional literature it became more common for scholars to view organizations as being responsive to environmental inputs and to treat such factors as structure and behavior as dependent variables. Thompson and McEwen (1958) defined goal-setting as a process of establishing desired relationships between an organization and its environment, and argued that a change in the latter usually requires an alteration in the former. Thompson's most significant contribution to the field was to combine the open and closed approaches to organizations in a single work. While

recognizing that organizations are constantly subject to the uncertainties of a changing environment, he found that they attempt to achieve rationality by closing their boundaries of external access (Thompson, 1967). Building on the work of Parsons (1960), Thompson assigned the task of mediating the boundary of external interference to the institutional leader. His focus on the subjects of power, dependence, and domain would provide a bridge between descriptive organization theory and prescriptive management theory. The relevance of Thompson's work to resolving the dilemma of governance inherent in the constituent-client dichotomy has already been mentioned.

A substantial literature has emerged over the last two decades that is concerned with the description, classification, and significance of various types of organizational environments. Emery and Trist (1965), for example, focused on the causal texture of the environment, developing a typology designed as a conceptual technique for assessing whether particular settings has a stabilizing or disruptive influence on organizational life. Their contribution is noteworthy here because there is little resembling it in the public administration literature.

Among the early empirical contributions to environmental research was that of Lawrence and Lorsch (1967). They challenged the assumption that there is any "one best way" to design an organizational structure, demonstrating that high performance levels are more likely to result when organizations adapt their structure to the needs of the environment. Thus Argyris (1972, p. 88) quotes Lawrence as claiming, "Tell me what is your environment and I will tell you what your organization ought to be." This empirical research on organizational structures is paralleled by Fiedler's (1967) work on managerial leadership. Through his contingency approach, Fiedler was able to identify leadership strategies and styles that were most appropriate to fit the needs of particular sets of circumstances. Again, this empirical prescriptive theory is notable because there is nothing akin to it in public administration.

With Thompson's organizational model as a starting point, Pfeffer and Salancik (1978) took a conceptual leap that more fully defined the leadership role in an environmental context. As they perceived it, the executive served as a symbol of organizational goals and capacities to the outside world. In this role the executive would not only assess and respond to external demands, but would also manipulate crucial environmental variables in order to establish a synergy between organizational capabilities and outside demands. They further developed Thompson's notions

of environmental scanning, diversity, dependency reduction, and organizational buffering, thereby contributing to the literature that would help instruct practitioners on how to cope and survive in an organizational environment characterized by uncertainty and turbulence.

A discernible trend that can be observed in the organizational literature of the last five years is a more concentrated focus on leadership as the critical variable in determining how well organizations perform. The most popular manifestation of this trend appeared in Peters and Waterman's (1982) best selling book on successful American entrepreneurs. Consistent with what has already been said here, these authors found that successful leaders display an astute ability to accept and deal with ambiguity as a normal part of organizational life. They also stressed, as Selznick (1957) had three decades before, that a significant aspect of the leadership role is to establish a value structure within the organization that motivates individuals to perform in a socially acceptable and productive way. The latter point has been echoed in more systematic contemporary research depicting the organizational culture as an entity that is shaped and inculcated by the skillful executive (Schein, 1985).

The focus on leadership as a critical factor in the functioning of organizations is derived from a growing awareness by empirical researchers that technical organizational factors, such as structure, are dependent variables in the general scheme of organizational dynamics. This is a lesson hard learned by public administration scholars who recommended decentralization as an antidote for treating the ills of bureaucracy. Except for an extensive literature on the American presidency, leadership studies have not been a paramount interest to students of the public sector.

A recent notable exception to the pattern in public administration is a book by Eugene Lewis (1984) that presents case studies of Hyman Rickover, J. Edgar Hoover, and Robert Moses. Lewis portrays the successful "public entrepreneur" as an individual who "creates or profoundly elaborates a public organization so as to alter greatly the existing pattern of allocation of scarce public resources" (Lewis, 1984, p. 9). Such persons adopt strategies that allow them a high degree of autonomy, minimize external interference, and appear consistent with crucial aspects of the task environment.

Lewis's work is commendable for charting a relatively new direction in public sector research and for incorporating organizational concepts of leadership that are not typical of public sector scholars. However, it can be faulted for lacking a strong normative base in its definition of success-

ful public leadership. At least two of the subjects of his study might be challenged for the way in which they defined the public good, the manner in which they responded to public demands, and the degree to which they represented diverse popular interests. The point to be made here is that although students of public organizations can learn much from the work of their colleagues in other disciplines, public organization theory must go beyond imitation. It must contain a normative dimension. Sound leadership in a public organization involves an ability to deal successfully with the paradoxes of external politics, but in the end it must enhance the institutional capacity to respond to diverse public needs, and it should create an internal disposition among organizational actors to espouse the values of democratic governance.

## CONCLUSION

### THE DIMENSIONS OF PUBLIC ORGANIZATION THEORY

The phenomenon referred to here as the constituent-client dichotomy has been addressed from two distinct perspectives, one analytic, the other normative. In an analytic context, the dichotomy was used to illustrate a fundamental conceptual weakness in the research on public organization environments. In a normative context, the dichotomy represents a basic dilemma in urban governance. This dichotomy observed in the external environment was said to have functional implications at several levels of the organization, including the institutional level, the leadership level, and the internal dynamics of the organization. Moreover this dichotomous relationship between external actors is analogous to and easily applied at the macro level of government.

In conclusion, it was argued that students of the public sector ought to draw more extensively from the interdisciplinary research on organizations as an avenue for resolving the analytic and normative problems described. This proposal is consistent with the recent emergence of a literature on public organizations that transcends the traditional boundaries of public administration. Such interdisciplinary borrowing and adaptation are indeed admirable, but these transgressions will contribute more to the study of government by preserving in public sector studies that which is peculiarly public.



In order to achieve its potential, public organization theory must advance as a three-dimensional field of study. A normative dimension, based upon the traditional values of democratic governance, would define the essential criteria used to assess individual and institutional performance. It would reverse the historical influences of the behavioral movement in political science and the fiscal crises in the cities, both of which served to diminish the importance of such principles as representativeness, responsiveness, and equity as organizing concepts in empirical research. Although public organization theory would be properly concerned with the managerial goals of efficiency, economy, and effectiveness, it is this normative political dimension that will most distinguish it from the work of generic organizational and managerial theorists.

A descriptive dimension would draw on the conceptual and empirical techniques of interdisciplinary organization theorists in order to better define, classify, analyze, and understand the complex internal and external environments of public organizations. There would be more of a tendency to treat the concept of bureaucracy as the ideal analytic type of institution conceived by Weber, rather than the value-laden term it became among many contemporary students in political science and public administration. An integration of the analytic approaches identified in the second dimension with the normative principles of the first dimension would improve the aptitude among scholars for defining the dilemmas of governance that need attention.

A prescriptive dimension of public organization theory would be action-oriented. It would seek to resolve the conflicts between the normative goals established in the first dimension and the empirical findings presented in the second. The development of prescriptive theory would allow public sector studies to evolve more consciously from a pure "science" to an applied field of study. Contrary to the custom of classical public administration, the production of prescriptive theory will force scholars to accept the notion that public-sector managers are political actors in need of political skills (see Stokes, 1986; Yates, 1985). It would focus more on an individual behavior and would enable schools of public affairs to better prepare governmental practitioners to operate effectively in an organizational environment that is often hostile to the interests of those citizens that are most in need. It might even help to create leaders who are capable of responding to the dilemma of governance inherent in the dichotomy between constituent and client.

## NOTES

1. One notable exception is found in Lewis (1977).
2. For an analysis of the relationship between managerial and ethical concerns within the civil service reform movement, see Allen (1907), Cook (1913), Waldo (1948), and Van Riper (1958).
3. This is obviously an evaluative rather than empirical statement. I do not mean to suggest here that there is unanimity among scholars concerning either the interpretation of Wilson's work or the significance of his contribution. See, Rabin and Bowman (1984), O'Toole (1984), Van Riper (1983, 1987), and Kirwon (1987).
4. The idea of a "New Public Administration" has generated a considerable amount of literature since its inception. Basic materials by its principal advocates include Marini (1973), Waldo (1971), and Frederickson (1976, 1980). For commentaries see Wamsley (1976), Levine, Backoff, Cahoon, and Siffen (1975), Viteritti (1979), and O'Toole (1977).
5. Among the notable exceptions are Shefter (1985), Bailey (1984) and Tabb (1982). On the general issues of power, equity, and urban governance see, Browning, Marshall, and Tabb (1984) and Gottdiener (1987). On the subject of urban transformation, see Swanstrom (1985) and Elkin (1987).
6. Here again there are some noteworthy exceptions. See, Yates, (1982), Saltzstein (1985), and Wamsley et al. (1987) in the "Blacksburg Statement."
7. The earlier works in this subfield include Wamsley and Zald (1973), Warwick (1975), and Rainey, Backoff, and Levine (1976). Among the more recent works are Rainey (1984), Milward (1982), Denhardt (1981, 1984), Pitt and Smitt (1981), Lynn (1981), Eddy (1981), and Meyer (1979). Relevant collections include Bozeman and Straussman (1984), Perry and Kramer (1983), and Hall and Quinn (1983).
8. In recent years some public sector scholars have begun to treat the subject of bureaucracy with a greater degree of objectivity. See Goodsell (1985) and Milward and Rainey (1983).
9. An important early exception to this tendency was Selznick's (1949) sociological work on the TVA, in which he developed the concept of "co-optation."
10. The concept of public entrepreneurship is developed further in Doig and Hargrove (1987).

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*This article employs standard citation analysis techniques to rank the research value of public administration journals. Although prestige is a suspect measure of quality, esteem surveys have been used to rate the perceived importance of journals in many fields (including public administration). By gauging actual consumption rather than estimated value, citation analysis offers a better method of assessing journal worth. The three citation rankings presented in this study confirm the importance of such prestigious journals as Public Administration Review, American Political Science Review, and Administration Science Quarterly. In some cases, however, the citation hierarchies differ considerably from the esteem ratings.*

## **CITATION RANKINGS OF PUBLIC ADMINISTRATION JOURNALS**

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**This exploration helps fill a need** for new hierarchies of journal value in the field of public administration. Earlier studies (Hamm & Vocino, 1977; Vocino & Elliot, 1982, 1984) have ranked the quality of public administration journals as perceived by some members of the American Society for Public Administration.<sup>1</sup> Like most prestige surveys, however, these three works are impaired by weak conceptual validity and poor methodological performance.<sup>2</sup> Given the serious pressure now placed on many academics to publish articles in premier journals, some more objective and meaningful ratings of journal worth in public administration would appear to possess considerable utility. Junior faculty could use the rankings to select the best venues for scholarly articles, while senior members could employ the hierarchies to evaluate the publishing accomplishments of tenure and promotion candidates. An improved assessment should also benefit journal editors, research administrators, collection



development librarians, information analysts, and other persons who need quantitative measures of stratification among learned publications.

The problems associated with journal esteem surveys have helped lead many investigators to employ citation analysis as an alternative ranking method. Journal citation studies measure the frequencies at which different titles are cited within the literature of a discipline in order to evaluate their relative scholarly impacts. Based on the premise that authors recognize and cite pertinent and valuable works published by other researchers, citation analysis is not a new approach to journal assessment, for the pioneering studies in the field were completed over 50 years ago.<sup>3</sup> Only recently, however, have investigators been able to obtain significant quantities of citation data without examining large numbers of individual journal issues. Using the *Journal Citation Reports* that now accompany *Science Citation Index* and *Social Sciences Citation Index*, one can easily gather assorted citation figures on some 5,700 domestic and foreign journals processed by the Institute for Scientific Information.<sup>4</sup> Although no measures can fully express a trait as complex as quality, citation indicators are widely acknowledged to provide helpful and reasonably valid statements of worth in terms of research consumption.<sup>5</sup> Given that scholarly journals exist in large part to disseminate research findings (Lindsey, 1978), citation use probably represents a more suitable indicator of quality than does group opinion.

The present work evaluates public administration journals with data gathered from *SSCI Journal Citation Reports*, which covers more than 1,400 leading titles in political science, law, economics, sociology, psychology, anthropology, business, geography, education, and related fields. In order to help develop a broad portrait of the current structure of the journal literature in public administration, three different indicators of citation rank are considered. The resulting citation hierarchies are then compared with each other and with the prestige ratings assembled by Vocino and Elliott (1982, 1984). Although these presentations do not form a comprehensive citation study, they do offer many fresh and instructive assessments of journal value in public administration.<sup>6</sup>

## METHODS

One sample for this citation study consisted of 35 journals, which were selected on the basis of their (a) relevance to the subject of public

administration and (b) coverage by *SSCI Journal Citation Reports*. An initial set of journals was drawn from the results of the most recent prestige survey conducted by Vocino and Elliot (1984). Asking respondents to rate 46 selected titles according to their average contributions to the field of public administration, Vocino and Elliot developed rankings of the top 20 journals in terms of prestige intensity (mean rating weight) as well as of prestige extensity (total number of ratings). These two lists contain a total of 25 different journals, all but five of which are covered by *SSCI Journal Citation Reports*. Other relevant titles were selected from the remainder of the prestige survey sample and from journal bibliographies prepared by Caiden, Loverd, Pavlak, Sipe, and Wong (1983), Rock (1979), and Simpson (1976). Some selection preference was given to public policy journals not surveyed by Vocino and Elliot. An appendix lists the 46 survey items and the 35 citation titles.

Citation data for each of the sample journals was obtained from the six most recent (1981-1986) volumes of *SSCI Journal Citation Reports*. Citation scores are subject to certain annual fluctuations, so a fair ordering of journal rank requires more than one year of data. Two standard ISI indicators, citation rate and impact factor, were gathered for use in this study. Citation rate simply tallies the total number of citations received by a journal during a particular year. Because citation rate favors older and larger journals over newer and smaller ones, most bibliometric studies control for age and size by including some measure of citations received per article published. One such indicator is the impact factor, which expresses the average number of citations given in a particular year to each article published in a journal during the two previous years. For example, assume that the mythical *Western Review of Public Administration* published a total of 40 articles in 1984 and 1985. If these articles received 80 citations from the ISI journals in 1986, then the impact factor score for this journal would be 2,000. Because citation rate and impact factor gauge different aspects of bibliometric performance, all journals do not perform equally well in both realms. Some scholarly journals with long publishing histories have relatively high citation rates and relatively low impact factors. Certain professional journals, on the other hand, stand rather high in impact factor and rather low in citation rate. Using both indicators will thus help offer a competent presentation of the citation characteristics of the 35 sample titles.

The two ISI citation indicators employed in this study are based on data extracted from a massive variety of domestic and foreign journals. Al-

though *SSCI Journal Citation Reports* contains only some 1,400 titles, all 7,000 journals in the combined ISI database are used to calculate citation scores. In 1986, therefore, ISI processed approximately 10.5 million references from over one million articles to develop its citation rate and impact factor figures. Such broad coverage is quite beneficial, for the interdisciplinary nature of much current research means that journals in one field may be used by authors from several other fields. On the other hand, the ISI journal base includes works from so many different areas that the aggregated indicators may not reflect actual citation patterns within individual disciplines. Just because a journal is cited frequently by the thousands of ISI journals does not necessarily mean that it is also cited heavily by the handful of core public administration journals.

In order to analyze citation activity within particular disciplines, one must go beyond the broad ISI measures. Fortunately, *SSCI Journal Citation Reports* facilitates the development of such field-specific indicators by listing the journals that cite and are cited by each of its covered titles. For example, the 1984 "Citing Journal Listing" indicates that *Administration & Society* cited *Public Administration Review* 25 times in 1984. Other journals that received large numbers of citations were *Administration & Society* (18), *Journal of Applied Psychology* (16), *Administrative Science Quarterly* (14), *Personnel Psychology* (9), *Academy of Management Review* (8), *American Political Science Review* (8), and *Policy Studies Journal* (7). Likewise, the 1984 "Cited Journal Listing" notes that *Administration & Society* was cited by itself 18 times in 1984. Other journals that cited *Administration & Society* were *Public Administration Review* (11), *Policy Studies Journal* (5), *Journal of the American Planning Association* (4), *Administrative Science Quarterly* (3), and *Social Work* (3). The "Citing Journal Listing" and the "Cited Journal Listing" do not record every reference, but one can develop a reasonably complete portrait of citation activity within a set of journals by comparing the two listings.

A third (and field-specific) citation indicator was thus developed by tallying the citations made by *Administration & Society*, *American Review of Public Administration*, *International Journal of Public Administration*, *Public Administration Quarterly* (formerly *Southern Review of Public Administration*), and *Public Administration Review* from 1981 to 1986. These figures were gathered from the appropriate *SSCI Journal Citation Reports* and from the five source journals, which were chosen because they provide basic coverage of general public administration scholarship.

Unlike some journals in the original sample, these works do not have citation bases that are cluttered with references that accompanied articles on such largely peripheral topics as political philosophy, international relations, business management, economic theory, or social psychology. Neither do these journals restrict their publishing ranges to cover only such public administration specialties as public personnel management, public finance, or public policy. Although no set of journals can be considered fully representative of an entire field, these five titles should provide valuable insights regarding current journal consumption patterns in public administration.<sup>7</sup> Other researchers (Billings & Viksnins, 1972; Buss & McDermott, 1976; Poole & Regoli, 1981; Mabry & Sharplin, 1985; Sharplin & Mabry, 1985) have used similar techniques to generate field-specific lists of important journals.

## RESULTS

Table 1 ranks the sample journals according to mean citation rate. Table 2 lists the same titles by mean impact factor.<sup>8</sup> Although citation rate and impact factor measure different aspects of journal use, Table 1 and Table 2 exhibit considerable similarities. Certain journals, particularly *Administrative Science Quarterly*, *American Political Science Review*, *Harvard Business Review*, and *Academy of Management Journal*, dominate the rankings. *Academy Science Quarterly* and *American Political Science Review* rank first and second in both citation rate and impact factor, while *Harvard Business Review* and *Academy of Management Journal* stand in the top five of both categories. Other journals that achieve consistently high scores are *Industrial and Labor Relations Review*, *American Journal of Political Science*, *Public Administration Review*, and *Journal of Human Resources*. *Australian Journal of Public Administration* and *International Journal of Public Administration* hold the lowest ranks, placing 34th and 35th in both citation rate and impact factor. The overall stability between the two tables is demonstrated by a strong ( $\rho = .88$ ,  $p < .001$ ) rank order correlation. Only two journals, *Annals of the American Academy of Political and Social Science* (13) and *Public Administration and Development* (14), have citation rate and impact factor rankings that vary by more than eight ordinal positions.

**TABLE 1**  
**Rank Order of Sample Journals**  
**Based on Mean Citation Rate, 1981-1986**

| <i>Title</i>                                       | <i>Citation Rate</i> |
|----------------------------------------------------|----------------------|
| 1. ADMINISTRATIVE SCIENCE QUARTERLY                | 1845.33              |
| 2. AMERICAN POLITICAL SCIENCE REVIEW               | 1742.50              |
| 3. HARVARD BUSINESS REVIEW                         | 1444.50              |
| 4. ACADEMY OF MANAGEMENT JOURNAL                   | 944.83               |
| 5. HUMAN RELATIONS                                 | 884.33               |
| 6. PUBLIC ADMINISTRATION REVIEW                    | 592.17               |
| 7. INDUSTRIAL AND LABOR RELATIONS REVIEW           | 562.67               |
| 8. AMERICAN JOURNAL OF POLITICAL SCIENCE           | 500.33               |
| 9. JOURNAL OF HUMAN RESOURCES                      | 488.33               |
| 10. JOURNAL OF POLITICS                            | 437.50               |
| 11. SOCIAL SCIENCE QUARTERLY                       | 390.83               |
| 12. ANNALS OF THE AMERICAN ACADEMY                 | 385.67               |
| 13. PUBLIC INTEREST                                | 379.33               |
| 14. JOURNAL OF APPLIED BEHAVIORAL SCIENCE          | 307.00               |
| 15. WESTERN POLITICAL QUARTERLY                    | 205.83               |
| 16. Policy Sciences                                | 161.50               |
| 17. CALIFORNIA MANAGEMENT REVIEW                   | 161.00               |
| 18. JOURNAL OF THE AMERICAN PLANNING ASSOCIATION   | 159.67               |
| 19. URBAN AFFAIRS QUARTERLY                        | 141.83               |
| 20. Journal of Policy Analysis and Management      | 132.00               |
| 21. Canadian Public Policy                         | 100.75               |
| 22. POLICY STUDIES JOURNAL                         | 100.17               |
| 23. POLITY                                         | 88.67                |
| 24. PUBLIC ADMINISTRATION (London)                 | 88.50                |
| 25. ADMINISTRATION & SOCIETY                       | 77.00                |
| 26. PUBLIC FINANCE                                 | 76.50                |
| 27. PUBLIC FINANCE QUARTERLY                       | 72.50                |
| 28. CANADIAN PUBLIC ADMINISTRATION                 | 66.17                |
| 29. PUBLIC WELFARE                                 | 65.67                |
| 30. PUBLIC PERSONNEL MANAGEMENT                    | 62.33                |
| 31. PUBLIUS                                        | 54.00                |
| 32. Public Administration and Development          | 31.60                |
| 33. STATE GOVERNMENT                               | 29.33                |
| 34. Australian Journal of Public Administration    | 13.00                |
| 35. INTERNATIONAL JOURNAL OF PUBLIC ADMINISTRATION | 5.50                 |

SOURCE: *SSCI Journal Citation Reports*.

NOTE: Capital letters denote journals surveyed by Vocino & Elliot (1984).

**TABLE 2**  
**Rank Order of Sample Journals**  
**Based on Mean Impact Factor, 1981-1986**

| <i>Title</i>                                       | <i>Impact<br/>Factor</i> |
|----------------------------------------------------|--------------------------|
| 1. ADMINISTRATIVE SCIENCE QUARTERLY                | 2.378                    |
| 2. AMERICAN POLITICAL SCIENCE REVIEW               | 1.795                    |
| 3. INDUSTRIAL AND LABOR RELATIONS REVIEW           | 1.637                    |
| 4. ACADEMY OF MANAGEMENT JOURNAL                   | 1.469                    |
| 5. HARVARD BUSINESS REVIEW                         | 1.242                    |
| 6. AMERICAN JOURNAL OF POLITICAL SCIENCE           | 1.245                    |
| 7. PUBLIC INTEREST                                 | 1.033                    |
| 8. JOURNAL OF HUMAN RESOURCES                      | .892                     |
| 9. PUBLIC ADMINISTRATION REVIEW                    | .672                     |
| 10. JOURNAL OF THE AMERICAN PLANNING ASSOCIATION   | .633                     |
| 11. JOURNAL OF POLITICS                            | .602                     |
| 12. Policy Sciences                                | .566                     |
| 13. HUMAN RELATIONS                                | .505                     |
| 14. SOCIAL SCIENCE QUARTERLY                       | .481                     |
| 15. JOURNAL OF APPLIED BEHAVIORAL SCIENCE          | .479                     |
| 16. URBAN AFFAIRS QUARTERLY                        | .463                     |
| 17. Journal of Policy Analysis and Management      | .443                     |
| 18. Public Administration and Development          | .374                     |
| 19. PUBLIC ADMINISTRATION (London)                 | .362                     |
| 20. Canadian Public Policy                         | .356                     |
| 21. ADMINISTRATION & SOCIETY                       | .347                     |
| 22. WESTERN POLITICAL QUARTERLY                    | .340                     |
| 23. CANADIAN PUBLIC ADMINISTRATION                 | .336                     |
| 24. CALIFORNIA MANAGEMENT REVIEW                   | .297                     |
| 25. ANNALS OF THE AMERICAN ACADEMY                 | .286                     |
| 26. PUBLIC FINANCE QUARTERLY                       | .262                     |
| 27. POLICY STUDIES JOURNAL                         | .231                     |
| 28. POLITY                                         | .212                     |
| 29. PUBLIC WELFARE                                 | .201                     |
| 30. PUBLIUS                                        | .179                     |
| 31. PUBLIC PERSONNEL MANAGEMENT                    | .161                     |
| 32. STATE GOVERNMENT                               | .133                     |
| 33. PUBLIC FINANCE                                 | .123                     |
| 34. Australian Journal of Public Administration    | .097                     |
| 35. INTERNATIONAL JOURNAL OF PUBLIC ADMINISTRATION | .035                     |

SOURCE: *SSCI Journal Citation Reports*.

NOTE: Capital letters denote journals surveyed by Vocino & Elliott (1984).

Table 3 lists the 35 periodicals that received the most citations from the five public administration journals.<sup>9</sup> *Public Administration Review* stands as the top journal, garnering more citations (1,357) than the next 10 titles combined. Indeed, *Public Administration Review* is so dominant that it holds 25.1% of the citations received by all 35 periodicals (1,357 out of 5,404). Other top scorers include *Administrative Science Quarterly*, *American Political Science Review*, *Administration & Society*, and *Journal of Policy Analysis and Management*. Two magazines (*National Journal* and *Congressional Quarterly Weekly Report*) and two newspapers (*New York Times* and *Washington Post*) join 31 journals to form the list of leading public administration periodicals.

The ISI citation indicators and the field-specific citation indicator express different aspects of journal performance. Because the ISI figures are based on data drawn from a very large array of learned journals, Table 1 and Table 2 tend to favor works with broad academic and professional appeal. Table 3, on the other hand, rewards periodicals that possess specific relevance to current scholarship in public administration. Considering these factors, it is not very surprising to find that certain journals receive substantially divergent rankings from the two kinds of measures. For example, *Harvard Business Review*, *Academy of Management Journal*, and *American Journal of Political Science* outrank *Administration & Society*, *Journal of Policy Analysis and Management*, and *Public Personnel Management* in both citation rate and impact factor. In the field-specific rankings, however, these positions are reversed. Likewise, *Public Administration Review* stands a mere sixth in citation rate and an even lowlier ninth in impact factor. In the field-specific rankings, however, *Public Administration Review* vaults over its erstwhile superiors to take the top position. Although Table 1 and Table 2 offer useful insights regarding the overall scholarly use of the 35 sample journals, Table 3 constitutes a better indicator of actual journal utilization in public administration.

Comparing the prestige indicators and the ISI citation indicators reveals similarities and differences between the two sets of rankings. Table 4 lists the top public administration journals in terms of prestige intensity and prestige extensity (Vocino & Elliot, 1984). Table 4 also indicates the rank of each title according to citation rate and impact factor. For the most part, very prestigious journals (e.g., *Harvard Business Review*, *Public Administration Review*, *American Political Science Review*, *American Journal of Political Science*, and *Administrative Science Quarterly*) also

**TABLE 3**  
**Periodicals Most Cited by**  
**Public Administration Journals, 1981-1986**

| <i>Title</i>                                     | <i>Total Citations</i> |
|--------------------------------------------------|------------------------|
| 1. PUBLIC ADMINISTRATION REVIEW                  | 1357                   |
| 2. ADMINISTRATIVE SCIENCE QUARTERLY              | 277                    |
| 3. AMERICAN POLITICAL SCIENCE REVIEW             | 247                    |
| 4. ADMINISTRATION & SOCIETY                      | 157                    |
| 5. Journal of Policy Analysis and Management     | 121                    |
| 6. New York Times                                | 109                    |
| 7. Washington Post                               | 92                     |
| 8. PUBLIC PERSONNEL MANAGEMENT                   | 91                     |
| 9. HARVARD BUSINESS REVIEW                       | 88                     |
| 10. Academy of Management Review                 | 80                     |
| 11. POLICY STUDIES JOURNAL                       | 77                     |
| 12. American Sociological Review                 | 74                     |
| PUBLIC INTEREST                                  | 74                     |
| 14. BUREAUCRAT                                   | 73                     |
| 15. PUBLIC ADMINISTRATION QUARTERLY              | 72                     |
| 16. Harvard Law Review                           | 68                     |
| 17. Journal of Applied Psychology                | 66                     |
| 18. JOURNAL OF POLITICS                          | 64                     |
| 19. Public Budgeting and Finance                 | 63                     |
| 20. AMERICAN JOURNAL OF POLITICAL SCIENCE        | 61                     |
| 21. ACADEMY OF MANAGEMENT JOURNAL                | 60                     |
| National Journal                                 | 60                     |
| URBAN AFFAIRS QUARTERLY                          | 60                     |
| 24. Policy Sciences                              | 54                     |
| 25. JOURNAL OF APPLIED BEHAVIORAL SCIENCE        | 53                     |
| Management Science                               | 53                     |
| 27. Political Science Quarterly                  | 51                     |
| 28. National Tax Journal                         | 48                     |
| 29. AMERICAN REVIEW OF PUBLIC ADMINISTRATION     | 47                     |
| 30. American Journal of Sociology                | 46                     |
| 31. SOCIAL SCIENCE QUARTERLY                     | 43                     |
| Congressional Quarterly Weekly Report            | 43                     |
| 33. PUBLIUS                                      | 42                     |
| 34. JOURNAL OF THE AMERICAN PLANNING ASSOCIATION | 40                     |
| 35. Review of Public Personnel Administration    | 39                     |

SOURCE: SSCI *Journal Citation Reports, Administration & Society, American Review of Public Administration, International Journal of Public Administration, Public Administration Quarterly, Public Administration Review.*

NOTE: Capital letters denote journals surveyed by Vocino & Elliot (1984).



**TABLE 4**  
**Prestige Rank Compared to ISI Citation Rank**

| <i>Journal Title</i>                         | <i>Prestige Intensity</i> | <i>Impact Factor</i> | <i>Citation Rate</i> |
|----------------------------------------------|---------------------------|----------------------|----------------------|
| Harvard Business Review                      | 1                         | 5                    | 3                    |
| Public Administration Review                 | 2                         | 9                    | 6                    |
| American Political Science Review            | 3                         | 2                    | 2                    |
| American Journal of Political Science        | 4                         | 6                    | 8                    |
| Administrative Science Quarterly             | 5                         | 1                    | 1                    |
| Annals of the American Academy               | 6                         | 21                   | 12                   |
| Public Personnel Management                  | 7                         | 27                   | 27                   |
| Journal of Politics                          | 8                         | 11                   | 10                   |
| Academy of Management Journal                | 9                         | 4                    | 4                    |
| Public Interest                              | 10                        | 7                    | 13                   |
| Journal of the American Planning Association | 11                        | 10                   | 17                   |
| Industrial and Labor Relations Review        | 12                        | 3                    | 7                    |
| Public Finance                               | 13                        | 29                   | 23                   |
| Social Science quarterly                     | 14                        | 13                   | 11                   |
| Administration & Society                     | 15                        | 17                   | 22                   |
| Policy Studies Journal                       | 16                        | 23                   | 19                   |

| <i>Journal Title</i>                           | <i>Prestige Extensity</i> | <i>Impact Factor</i> | <i>Citation Rate</i> |
|------------------------------------------------|---------------------------|----------------------|----------------------|
| Harvard Business Review                        | 1                         | 5                    | 3                    |
| American Political Science Review              | 2                         | 2                    | 2                    |
| American Journal of Political Science          | 3                         | 6                    | 7                    |
| Administrative Science Quarterly               | 4                         | 1                    | 1                    |
| Annals of the American Academy                 | 5                         | 20                   | 11                   |
| Public Personnel Management                    | 6                         | 26                   | 26                   |
| Journal of Politics                            | 7                         | 10                   | 9                    |
| Public Interest                                | 8                         | 7                    | 12                   |
| Administration & Society                       | 9                         | 16                   | 21                   |
| Journal of the American Planning Association   | 10                        | 9                    | 16                   |
| Public Finance                                 | 11                        | 28                   | 22                   |
| Policy Studies Journal                         | 12                        | 22                   | 18                   |
| Urban Affairs Quarterly                        | 13                        | 14                   | 17                   |
| International Journal of Public Administration | 14                        | 29                   | 29                   |
| Journal of Applied Behavioral Science          | 15                        | 13                   | 13                   |

SOURCE: Vocino & Elliot (1984) and Tables 1-2.

NOTE: Ranks are based on the titles common to the prestige lists and the ISI sample.

TABLE 5  
Correlations Between Prestige Rank and Citation Rank

|                                | Citation Rate | Impact Factor |
|--------------------------------|---------------|---------------|
| Prestige Intensity<br>(n = 29) | .33**         | .27***        |
| Prestige Extensity<br>(n = 28) | .42*          | .37**         |

\*  $p < .05$ ; \*\*  $p < .10$ ; \*\*\*  $p < .2$ .

perform well in terms of citation rate and impact factor. In several cases, however, titles that rank relatively high in prestige value stand rather low in actual citation performance (or vice versa). Journals such as *Public Personnel Management*, *Public Finance*, and *International Journal of Public Administration* exemplify this discrepancy phenomenon, which is widespread enough to help produce low rank-order correlations between the subjective and objective indicators of journal quality in public administration. Earlier studies (Christenson & Sigelman, 1985; McDonough, 1975; Buss & McDermott, 1976) have found moderate to high correlations between prestige rank and citation rank in political science ( $\rho = .57$ ,  $n = 56$ ), sociology ( $\rho = .53$ ,  $n = 61$ ), economics ( $\rho = .87$ ,  $n = 70$ ), and psychology ( $\rho = .45$ ,  $n = 64$ ). Table 5 presents the correlations between the prestige rankings developed by Vocino and Elliott (1982) and the ISI citation rankings contained in Table 1 and Table 2. Ranging from a high of 0.42 (prestige extensity-citation rate) to a low of 0.27 (prestige intensity-impact factor), these correlations are among the lowest ever found in a social science discipline.<sup>10</sup> Perhaps only in education (Smart, 1983) has a lower correlation ( $\rho = .21$ ,  $n = 64$ ) been reported.

The field-specific citation indicator and the prestige survey offer some contrasting assessments of journal quality in public administration. One manifestation of these differences is the fact that only 19 of the 46 titles surveyed by Vocino and Elliott in 1981 appear in Table 3. In other words, the latest survey did not cover 16 of the 35 most frequently cited periodicals in the field of public administration. Among the major omissions from the prestige list are *Journal of Policy Analysis and Management*, *Academy of Management Review*, *American Sociological Review*, *Harvard Law Review*, *Journal of Applied Psychology*, and *Public Budget-*

TABLE 6  
**Prestige Intensity Rank  
 Compared to Field-Specific Citation Rank**

| <i>Journal Title</i>                         | <i>Intensity</i> | <i>Field-Specific</i> |
|----------------------------------------------|------------------|-----------------------|
| Harvard Business Review                      | 1                | 9                     |
| Public Administration Review                 | 2                | 1                     |
| American Political Science Review            | 3                | 3                     |
| American Journal of Political Science        | 4                | 20                    |
| Administrative Science Quarterly             | 5                | 2                     |
| Public Management                            | 6                | —                     |
| Annals of the American Academy               | 7                | —                     |
| Management Review                            | 8                | —                     |
| Public Personnel Management                  | 9                | 8                     |
| Science                                      | 10               | —                     |
| Journal of Politics                          | 11               | 18                    |
| Academy of Management Journal                | 12               | 22                    |
| Public Interest                              | 13               | 12.5                  |
| Journal of the American Planning Association | 14               | 34                    |
| Industrial and Labor Relations Review        | 15               | —                     |
| Public Finance                               | 16               | —                     |
| Social Science Quarterly                     | 17               | 31.5                  |
| Public Administration Times                  | 18               | —                     |
| Administration & Society                     | 19               | 4                     |
| Policy Studies Journal                       | 20               | 11                    |

SOURCE: Vocino & Elliott (1984) and Table 3.

*ing and Finance*, for each of these journals receives much greater citation use than such survey titles as *Public Management*, *Management Review*, *Public Administration Times*, *Nation's Cities*, *Public Finance*, or *Science*. Further differences are revealed by comparing prestige rank with field-specific rank. Table 6 and Table 7 present the top public administration journals in terms of prestige intensity and prestige extensity (Vocino & Elliott, 1984). Next to the prestige rank of each title is its field-specific citation rank (if any) as reported in Table 3. Once again, high perceived value does not always entail frequent citation use, for each table contains seven prestigious titles that failed to make the top 35 in the field-specific category. Still other journals (e.g., *Harvard Business Review*, *American Journal of Political Science*, and *Journal of the American Planning Association*) have field-specific rankings that stand much lower than their prestige rankings. Table 6 and Table 7 also indicate that *Public Adminis-*

TABLE 7  
**Prestige Extensivity Rank  
 Compared to Field-Specific Citation Rank**

| <i>Journal Title</i>                           | <i>Extensivity</i> | <i>Field-Specific</i> |
|------------------------------------------------|--------------------|-----------------------|
| Public Administration Times                    | 1                  | —                     |
| Harvard Business Review                        | 2                  | 8                     |
| American Political Science Review              | 3                  | 2                     |
| American Journal of Political Science          | 4                  | 19                    |
| Bureaucrat                                     | 5                  | 13                    |
| Administrative Science Quarterly               | 6                  | 1                     |
| Public Management                              | 7                  | —                     |
| Nation's Cities                                | 8                  | —                     |
| Annals of the American Academy                 | 9                  | —                     |
| Public Personnel Management                    | 10                 | 7                     |
| Management Review                              | 11                 | —                     |
| Journal of Politics                            | 12                 | 17                    |
| Public Interest                                | 13                 | 11.5                  |
| Administration & Society                       | 14                 | 3                     |
| Journal of the American Planning Association   | 15                 | 33                    |
| Public Finance                                 | 16                 | —                     |
| Policy Studies Journal                         | 17                 | 10                    |
| Urban Affairs Quarterly                        | 18                 | 21                    |
| International Journal of Public Administration | 19                 | —                     |
| Journal of Applied Behavioral Science          | 20                 | 24.5                  |

SOURCE: Vocino & Elliott (1984) and Table 3.

NOTE: The field-specific citation rank of each title has been adjusted to compensate for the necessary absence of *Public Administration Review* from the extensivity rankings.

*tration Review*, *Administrative Science Quarterly*, and *Administration & Society* are cited in the literature of public administration at a higher level than that at which they are perceived to contribute to the field.<sup>11</sup>

## CONCLUSIONS

Citation counting offers a worthy alternative to prestige sampling as a means of evaluating journal quality. Instead of measuring relative importance as estimated by survey respondents, citation indicators gauge actual use as recorded by scholarly publications. Although bibliometric analysis

has long served to identify key works in other academic disciplines, the three citation measures employed in this study provide the first direct consumption ratings of journal value in public administration. Ranking 35 selected journals according to ISI citation rate and ISI impact factor reveals the dominance of *Administrative Science Quarterly*, *American Political Science Review*, *Harvard Business Review*, and *Academy of Management Journal*. Tallying the citations made by five core public administration journals shows *Public Administration Review*, *Administrative Science Quarterly*, *American Political Science Review*, *Administration & Society*, and *Journal of Policy Analysis and Management* to hold the top positions. In numerous cases, these citation rankings do not agree with the reputation hierarchies compiled by Vocino and Elliott (1982, 1984). Some journals rank relatively high in perceived value yet stand rather low in actual use. Other titles perform much better in citation terms than they do in prestige terms. Considering these differences, one should not presume the prestige rankings to be the definitive assessments of journal merit in public administration. Whether used to appraise scholarly achievements or to identify publishing opportunities, the citation figures presented in this article hold at least as much meaning as the collective opinions of the ASPA survey respondents.

## APPENDIX

| Prestige Survey Titles                                            | Citation Study Titles                                             |
|-------------------------------------------------------------------|-------------------------------------------------------------------|
| Academy of Management Journal                                     | Academy of Management Journal                                     |
| Administration & Society                                          | Administration & Society                                          |
| Administrative Science Quarterly                                  | Administrative Science Quarterly                                  |
| American Journal of Political Science                             | American Journal of Political Science                             |
| American Political Science Review                                 | American Political Science Review                                 |
| Annals of the American Academy of<br>Political and Social Science | Annals of the American Academy of<br>Political and Social Science |
| Bureaucrat                                                        | Australian Journal of Public<br>Administration                    |
| California Management Review                                      | California Management Review                                      |
| Canadian Public Administration                                    | Canadian Public Administration                                    |
| Civil Service Journal                                             | Canadian Public Policy                                            |
| Harvard Business Review                                           | Harvard Business Review                                           |
| Human Relations                                                   | Human Relations                                                   |
| Industrial and Labor Relations Review                             | Industrial and Labor Relations Review                             |
| International Journal of Public Administration                    | International Journal of Public<br>Administration                 |
| International Review of Administrative<br>Sciences                |                                                                   |

(continued)

## APPENDIX Continued

| Prestige Survey Titles                               | Citation Study Titles                        |
|------------------------------------------------------|----------------------------------------------|
| Journal of the American Planning Association         | Journal of the American Planning Association |
| Journal of Applied Behavioral Science                | Journal of Applied Behavioral Science        |
| Journal of Criminal Law                              | Journal of Human Resources                   |
| Journal of Health and Human Resources Administration | Journal of Policy Analysis and Management    |
| Journal of Human Resources                           | Journal of Politics                          |
| Journal of Politics                                  | Policy Sciences                              |
| Management Review                                    | Policy Studies Journal                       |
| Maxwell Review                                       | Polity                                       |
| Midwest Review of Public Administration              | Public Administration (London)               |
| National Civic Review                                | Public Administration and Development        |
| Nations's Cities                                     | Public Administration Review                 |
| News and Views                                       | Public Finance                               |
| Policy Studies Journal                               | Public Finance Quarterly                     |
| Polity                                               | Public Interest                              |
| Public Administration (London)                       | Public Personnel Management                  |
| Public Administration Review                         | Public Welfare                               |
| Public Administration Times                          | Publius                                      |
| Public Finance                                       | Social Science Quarterly                     |
| Public Finance Quarterly                             | State Government                             |
| Public Interest                                      | State Government Administration              |
| Public Management                                    | Urban Affairs Quarterly                      |
| Public Personnel Management                          | Western Political Quarterly                  |
| Public Welfare                                       |                                              |
| Publius                                              |                                              |
| Science                                              |                                              |
| Southern Review of Public Administration             |                                              |
| Social Science Quarterly                             |                                              |
| State Government                                     |                                              |
| State Government Administration                      |                                              |
| Urban Affairs Quarterly                              |                                              |
| Western Political Quarterly                          |                                              |

## NOTES

1. Based on data gathered from questionnaires sent to 1,400 members of the American Society for Public Administration in 1975, 1978, and 1981, these articles form part of a substantial body of literature on the perceived value of scholarly and professional journals. Using similar survey techniques, other researchers have formulated prestige rankings for sociology (Glenn, 1971), political science (Giles & Wright, 1975), economics (Hawkins, Ritter, & Walter, 1973), psychology (Mace & Warner, 1973; Koulack & Keselman, 1975),

education (Luce & Johnson, 1978), criminal justice (Fabianic, 1980; Shichor, O'Brien, & Decker, 1981), geography (Lee & Evans, 1984), accounting (Howard & Nikolai, 1983), finance (Coe & Weinstock, 1983), management (Coe & Weinstock, 1984), and marketing (Fry, Walters, & Scheuermann, 1985; Luke & Doke, 1987).

2. Many observers have undermined the conceptual foundations of prestige surveys by raising doubts about the validity of subjective opinions as measures of journal quality (Boor, 1973; Gynther, 1973; Levin & Kratochwill, 1976; Levine, 1977; Adams & Peery, 1980; Poole & Regoli, 1981; Weisheit & Regoli, 1984). Other limitations stem from the fact that journal esteem surveys frequently obtain low response rates. Although rates as high as 80% (Mace & Warner, 1973), 72% (Fabianic, 1980), and 69% (Hawkins et al., 1973) have been recorded, one is just as likely to find figures like 42% (Shichor et al., 1981), 36% (Koulack & Keselman, 1975), and 30% (Luke & Doke, 1987). The three ASPA mailings generated response rates of 36% (1975), 34% (1978), and 30% (1981), figures that make them among the least successful journal prestige surveys ever published. Moreover, the poor survey response is compounded by a low response rate per journal, a phenomenon that can be seen in the results of the 1978 survey (Vocino & Elliott, 1982). Because all respondents did not evaluate every journal, each title was rated by an average of only 128.8 persons (9.2% of the original sample). Nearly one third of the journals were rated by fewer than 100 persons.

3. Gross and Gross (1927), Allen (1929), and McNeely and Crosno (1930) produced the earliest journal citation studies.

4. First published in 1977, *SSCI Journal Citation Reports* have provided comparative data for the objective assessment of journals in such varied disciplines as anthropology (Rounds, 1982; Garfield, 1983), education (Smart & Elton, 1981; Smith & Caulley, 1981), psychology (Rushton & Roediger, 1978; Buffardi & Nichols, 1981; Smart & Elton, 1982; Haynes, 1983), communication (Reeves & Borgman, 1983), economics (Liebowitz & Palmer, 1984), and criminology (Stack, 1987).

5. Garfield (1972) offers a standard introduction to the use of ISI citation figures as journal evaluation tools. He cautions that low consumption does not necessarily denote low value, for some important publications are produced and utilized for reasons other than the communication of original research studies.

6. These new rankings grow out of the first analysis of journal citations in the field of public administration to appear in over two decades. Although there are several citation studies of the political science literature (Martin, 1952; Stewart, 1970; Robinson, 1973), only one previous work (Intrama, 1968) analyzes reference patterns in public administration journals. Gathering every fifth citation listed in *Administrative Science Quarterly*, *American Political Science Review*, *International Review of Administrative Sciences*, *Public Administration* (London), and *Public Administration Review* between 1964 and 1966, Intrama examined the types, subjects, languages, and ages of the cited materials. Limited at the outset by its small rather unrepresentative sample, this work is now also somewhat dated, for the public administration field has undergone major changes since 1966 (McCurdy, 1986). Some recent articles (Bowman & Hajjar, 1978a, 1978b; McCurdy & Cleary, 1984; Perry & Kraemer, 1986; White, 1986; Stallings & Ferris, 1988) do investigate the prevailing topical methodological traits of the literature of public administration, but a full analysis of current citation patterns has been lacking for many years.

7. These five journals also formed part of the sample used by Legge and Devore (1987) to assess the productivity of programs in public administration and public affairs. The other public administration journals were *Bureaucrat* and *National Civic Review*. The articles in these journals generally have few or no reference citations. *SSCI Journal Citation Reports*

does not cover *American Review of Public Administration* or *Public Administration Quarterly*, so their citations had to be counted directly from the original articles. The citations made by *Administration & Society*, *International Journal of Public Administration*, and *Public Administration Review* were tabulated from the *SSCI Journal Citation Reports* totals and from the journals themselves. The latest issue of *American Review of Public Administration* had a cover date of Summer/Fall 1983.

8. ISI does not aggregate citation figures for journals with multiple titles. The citation rates of *American Journal of Political Science* (formerly *Midwest Journal of Political Science*), *Administration & Society* (formerly *Journal of Comparative Administration*), *Journal of the American Planning Association* (formerly *Journal of the American Institute of Planners*), *Journal of Policy Analysis and Management* (formerly *Policy Analysis and Public Policy*), and *Public Administration and Development* (formerly *Journal of Administration Overseas*) thus understate their true scores. The impact factor score of *Journal of Policy Analysis and Management* (which began in 1981) was developed by including the scores of *Policy Analysis* and *Public Policy*. Some journals in the sample were not listed in all six volumes of *SSCI Journal Citation Reports*.

9. These totals show the combined citation figures of journals with multiple titles. Some legal serials also received large numbers of citations from the five public administration journals. The top scorers were *United States Reports* (687), *Federal Reporter* (282), *Federal Supplement* (142), *Federal Register* (76), and *United States Code* (72). Papers presented at the annual meetings of the American Society for Public Administration (60) and the American Political Science Association (58) were also cited frequently.

10. Working with a set of 59 sociology journals, Gordon (1982) found rank-order correlations of 0.60 (prestige intensity-citation rate), 0.46 (prestige intensity-impact factor), 0.53 (prestige extensity-citation rate), and 0.34 (prestige extensity-impact factor). Poole and Regoli (1981) reported a correlation of 0.75 ( $n = 24$ ) between prestige intensity rank and field-specific citation rank in criminology. The correlation between prestige intensity rank (Mace & Warner, 1973) and impact factor rank (Rushton & Roediger, 1978) in psychology is 0.68 ( $n = 44$ ).

11. Some differences between the field-specific citation ratings and the prestige ratings may be related to their variant source populations. Bowman and Hajjar (1978a) have noted that most articles in public administration journals are written by academics rather than practitioners. On the other hand, most respondents to the ASPA esteem surveys have characterized themselves as practitioners. Perhaps occupational disparity helps account for the high prestige-low citation phenomenon associated with professional periodicals like *Public Management*, *Management Review*, *Public Administration Times*, *Nation's Cities*, and *Harvard Business Review*. It may also help explain the high citation-low prestige trait connected with such scholarly journals as *Administrative Science Quarterly* and *Administration & Society*.

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*This article represents an analysis of the cultural assumptions that are involved in the implementation of coproduction schemes. Through a case study of a garbage disposal scheme in a Japanese city, two interrelated themes are examined: (a) the nature of programs of coproduction as universal arrangements for the creation and delivery of urban services, and (b) the peculiar Japanese models and premises that form part of the implementation of such programs in that sociocultural context. The article also includes an examination of how the Japanese case may contribute toward an understanding of the assumptions that lie behind the introduction of coproduction arrangements in other cultural contexts.*

## ***A BUREAUCRAT IN EVERY JAPANESE KITCHEN? On Cultural Assumptions and Coproduction***

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**This article represents an analysis of the cultural assumptions that are involved in the implementation of coproduction schemes in specific sociocultural settings. The concept of coproduction — which has recently been granted attention in administrative and urban studies — refers to “the productive involvement of citizens in the creation and delivery of local government services” (Percy, 1984, p. 432, emphasis in original). The primary impetus behind the introduction of coproductive schemes lies in their potential to supplement and to supplant the work of paid officials**

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with the service-directed activities of urban residents. Yet the results of such schemes include not only raising the efficiency of municipal services, but no less important, also their quality (Brudney & England, 1983, p. 59). Examples of the coproduction of urban services include assistance to police or fire departments, aid in libraries or public parks, volunteering as teachers' aids, or contributions to sanitation services (i.e. carrying trash to the curbside for disposal).

Analytically, the concept of coproduction has been related primarily to two broad traditions: policy evaluation studies (Percy, 1984; Brudney, 1984) and community studies (Sundeen, 1985). Research that has been carried out within both of these traditions has, for the most part, been directed toward delineating the social and organizational conditions that may enhance the productivity of municipal services. In this article, however, the concept of coproduction is related to what is fast becoming a central focus in organizational research: the study of organizational culture (Smircich, 1983, p. 347). In general terms the stress will be on the kinds of cultural premises that are manifested in and that guide the effectuation of coproductive schemes. Put more concretely, the focus of the article is on the often unexplored relations between the actual organizational arrangements of these schemes and the grounds on the basis of which their social legitimacy is defined (Galaskiewicz, 1985, pp. 296-298).

The analysis will be carried out through an examination of a case study: the implementation of a new garbage disposal scheme in a middle-sized Japanese city in 1982. Clearly the study of a single case limits both the strength and the range of general or comparative arguments (Kennedy, 1979, p. 671; Yin, 1981). Yet such a study precludes neither a delineation of the relevant attributes of the case on the basis of which it may be compared to other instances, nor an exploration of the theoretical problems it raises. Indeed, this analysis should be seen as what Yin (1984, pp. 47-48) terms an exploratory case study: a single case design that is justified in terms of it serving a revelatory purpose. It serves this purpose in two interrelated senses: first, in terms of offering a number of original insights into an organizational phenomenon that has been primarily studied through American cultural lenses; and second, in terms of generating a number of hypotheses for further research.

Along these lines, a few words about the rationale and direction of the case study's design may be in order. The Japanese case seems especially

suited for examining the analytical issues outlined above. Coproductive arrangements for the management of solid waste have been implemented in the cities of many advanced industrial societies (Cointreau et al., 1984). Thus an examination of the arrangements different nations plan for citizens' involvement in the delivery of disposal services may uncover those organizational elements that are common to them all. At the same time, a focus on a specific case within Japan—one of the few “non-Western” societies to successfully industrialize—may shed light on some of the differing cultural assumptions that guide the institution of such schemes.

### **A NEW GARBAGE DISPOSAL SCHEME<sup>1</sup>**

At the beginning of 1982 the municipal office of Otsu—a city of 240,000 people situated in the Osaka-Kyoto region—mounted a vigorous publicity campaign before implementing a new solid waste disposal scheme. The campaign included information about the objectives of the new scheme and about procedures for implementing it. It was carried out through the local media (primarily newspapers and radio), the local school system, and through the organizational arms of the city's neighborhood and women's associations. In addition to these efforts, 400 representatives—300 municipal officials and about 100 volunteers from among Otsu's citizens—held public meetings in each and every neighborhood in order to explain what the new scheme entailed (Gomi Zero, 1982).

According to the administrators who were in charge of the new scheme, the importance of the campaign lay in familiarizing people with the arrangements to be implemented within each household. At bottom, the new scheme called for the separation of household trash into five main categories (whereas before there had been only one category). Each family was asked to separate its solid waste into the following: combustibles, glass, metals, plastics, and paper. Each type of garbage was to be placed in appropriate bags and to be kept at home. Then throughout the week, on appointed days and times, the bags were to be taken by the residents to neighborhood collection points from which they would be removed by the municipal authorities.

The new scheme was the outcome of plans that had been formulated since the mid-1970s. It was during that period that Otsu's city office had

already dealt with many of the more serious problems of pollution and sewerage and could focus its attention on the growing difficulties in processing the city's garbage. Like other cities in Japan (Onta, 1982; Takayose, 1979; Tanaka, 1982; Yorimoto, 1982) and throughout the affluent world (Bower, Larson, Michaels, & Phillips, 1972; Melosi, 1981; Rathje, 1984; *Newsweek*, 1987), the city's problems involved an accumulating glut of trash. For example, while Otsu's population grew 1.9 times between 1960 and 1980; its yearly tonnage of garbage grew during the same period by 3 times (Otsu Shiyakusho, 1960-1980). This glut, in turn, posed difficulties both in terms of increasingly overloaded landfills and (since 1973) the spiraling costs of burning waste matter.

Among the heads of the city office, these developments led to a recognition that garbage disposal was a central problem that would have to be dealt with. As a consequence, the municipality's planning department produced a set of plans for a new disposal scheme. In broad terms it consisted of five interrelated measures, the first two of which necessitated the direct involvement of the city's residents: reducing the volume of household garbage through publicity campaigns and educational programs, requesting people to separate the household trash into five categories in order to facilitate its recycling in new plants, building new incinerators, searching for alternative landfill sites, and establishing a city-owned corporation to handle the financial side of recycling. At the heart of the new scheme, then, lay a clear conception of the need to integrate successfully the efforts undertaken on the household level within the broader arrangements of the disposal service.

At first glance, these solutions are not unlike the administrative (or for that matter technological) solutions that are found in the advanced industrial democracies of North America and Europe (Bartone, 1986; Cointreau et al., 1984; Levitt & Leventhal, 1986; Schlottmann, 1977; White, 1983). Indeed, a focus on the way in which Otsu's residents were expected to participate in the new disposal scheme may well illuminate the similarity between this essentially coproductive venture and such programs carried out in other advanced industrial societies. At this point, let me emphasize again that I portray the coproductive nature of Otsu's new scheme in order to bring out the elements that are common to it and similar programs in the United States and Western Europe. It is on the basis of such a common framework that the difference may later be illuminated.

## THE MANAGEMENT OF GARBAGE AS COPRODUCTION

As a number of scholars (Brudney & England, 1983, p. 60; Percy, 1984, p. 433) have observed, the contributions of urban residents to the management of garbage may be taken as examples of coproductive arrangements. Yet in order to go beyond such general observations, there is a need to spell out more clearly the criteria by which Otsu's new garbage disposal arrangements can be defined as a coproductive venture. Toward this end I propose to adopt the organizational criteria found in Percy's (1984, p. 433) definition. Coproduction, according to him, involves two complementary elements: the productive involvement of citizens in the delivery of a local government service and an enhancement of the level and quality of this service as a consequence of this involvement.

In the first place, the new scheme was predicated on the joint efforts of local residents and of city officials. These efforts involved a division of labor: the household units in charge of the separation of the trash into different categories and its removal to neighborhood collection points, and city representatives taking responsibility for the processed matter from these points and onward. Yet the discharge of these matters on the household level should not be seen as a case of what Brudney and England (1983, p. 62) have termed "passive coproduction," as for example that involved in refraining from littering. Rather, these efforts entailed the active participation of residents and the devotion of time, energy, and attention to the separation and removal of trash.

These are far from being trivial points. On one level this can be appreciated in terms of the difficulties that the new arrangements posed for households: the smells that accompany accumulating garbage in summer, the type of familial "education" needed in order to separate the trash, or the problems of finding space for storing five types of garbage containers. On another level, the nontriviality of the new scheme can be understood in terms of the budgetary implications for the city's finances. The efforts of each family, when multiplied by the 80,000 households of the city, represented a significant addition to the disposal service at virtually no cost to the city office. In other words, the contribution of each household to a small segment of the disposal process represented an addition to the cost-efficiency of the whole service (Brudney, 1984).<sup>2</sup> In this sense, the new scheme provided an answer to the more general problem facing local governments the world over: the more services-less cost dilemma (Brudney & England, 1983, p. 59; Katagiri, 1981).



The new arrangements could be effected, moreover, without creating the difficulties that characterize many coproduction programs such as providing neighborhood security or aid to welfare agencies. In these latter kinds of programs one often finds a reluctance—or at the very least a sense of apprehension—on the part of administrators to cooperate with volunteers. The reasons for this attitude are that administrators usually view volunteers as lacking professional expertise and thereby lowering the level of the service that is being provided (Hill, 1980, p. 57), or as being sources of organizational conflict and a slowdown in decision making (Percy, 1984, p. 441).

Yet there is more to Otsu's waste management scheme than a coproductive program that involved the joint delivery of a service and that enhanced its level and quality. This can be understood through examining in detail a facet of what Brudney and England (1983, p. 62) term the "service conditions" of the new scheme: the conditions that affect the way a coproductive venture is carried out. More specifically, I refer to the cultural definitions of the relations between households and government that guided the way the new arrangements were adopted. This will be done through examining another measure that was included in the scheme: the introduction of a new type of bag for combustible waste matter.

### GARBAGE BAGS: THE ORGANIZATIONAL "PRESENTATION OF SELF"

The new moisture-resistant bags (36 × 70 centimeters) were designed, of course, as containers for refuse matter. Looked at more closely, however, the bags appear to have been designed in order to fulfill certain communicative functions as well. On them were printed an array of motifs: captions, seals, directives, declarations, and slogans. The bags, in other words, were also planned as administrative texts, as informational devices. An examination of the bags as such texts may contribute to the analysis in two respects. On the one hand, it may help in uncovering the "internal" messages they were designed to carry, that is, what Trice and Beyer (1984, p. 664) term the *latent expressive implications* of such textual forms. On the other hand, such an examination may disclose the bags' "external" role as means for generating appropriate behavior (see the appendix for a translation of the printed contents of the bags).

Two rather formal declarations appear below the title on the front side of the bag. These are proclamations, respectively, about the responsibility that is undertaken for the trash disposed of and about membership in a city-sponsored movement for the promotion of the new scheme. There then appears something quite "unthinkable" in most Western cultures. In the center of the bag's front face appears a large rectangle within which each family is to write its name before bringing the bag to a collection point. Completing this side of the bag are two official emblems belonging to the municipal office and to the city movement. The reverse side is divided into three parts: an illustrative list of combustible materials, a set of detailed directives regarding the handling of the trash and its removal, and the particulars of the municipal department that is in charge of the disposal scheme.

There appear to be two types of language—or following Goodsell (1977), two organizational "presentations of self"—in the motifs and themes that are printed on the bag: one bureaucratic and the other ritualistic. Each language reveals not only the use of different textual devices and "acceptance-inducing symbols" (Goodsell, 1977, pp. 80-81), but also different assumptions about social groups and relations between them.

The bureaucratic discourse is set out in neat sets of lists and instructions that make explicit the contents of categories and the types of activities to be undertaken on the household level. This language is full of terms that have to do with such things as efficiency and rationality (recycling, preparations for burning), coordination and synchronization (of times and places), or distinctions and categorizations (of types of trash).

The ritual language, by contrast consists of statements and recitations that address the problem of the social legitimacy of the organization and its actions (Dowling & Pfeffer, 1975, p. 127): the bases that justify the "rightness" of implementing the new scheme. It consists of expressions concerning formality and validation (the official seals, the grammatical constructions in Japanese), belonging (membership in the city and the city-sponsored movement), and affirmation ("I am shouldering my responsibility," "I am participating").

Yet in contrast to the ceremonial discourse that is found in most Western bureaucracies (see for instance Goodsell, 1977; Trice & Beyer, 1984), the ritual language here is formulated in terms of neither ethical contents nor broad meanings. It is phrased, rather, in terms of "groupism,"

in terms of belonging to a group: "As a member of the local community, I am shouldering my responsibility." Membership in a social group, to put this rather pointedly, in itself provides justification for action and implies certain duties and commitments. One of the city administrators from the department that is in charge of the new scheme explained this in terms of a concept of conjoint responsibility:

The point of the writing of the names on the garbage bags is responsibility. The aim is that the people who are taking out the garbage take on responsibility for it. We, the city office, take responsibility from the collection point and onwards.

Similar sentiments appear in the school program that was initiated in order to explain and to promote the new disposal scheme to the city's fourth graders. The program was carried out through the writing of explanatory pamphlets, adding chapters to textbooks, briefing social studies' teachers, creating illustrative sets of slides, and scheduling class trips to the site of new incinerators. The teachers handbook, which was written in order to accompany the teaching of the program, even included a "Garbage Charter":

Today, garbage problems have become a serious social problem in the city. The city's residents and the municipality must become one in engaging these circumstances.

The Garbage Charter . . .

- Let us set up a movement for reducing garbage in every local community. . .
- In our homes, let us try and process as much garbage as we can by ourselves. (Otsushi Kyoiku Inkai, 1982, p. 28)

An examination of three short and one extended examples of American reactions to the garbage glut brings out how a different mix of justifying themes and phraseology is found in that cultural context. For instance, a former activist in the environmental protection movement recalls: "Every publication we sent out said we'd be swimming in garbage by the year 2000. I believed it; I was out to protect America" (White, 1983, p. 456). A typical editorial emphasized the "aesthetically insulting" character of litter and the "tremendous waste of energy and raw materials" that it represents (*New Republic*, 1982). Along the same lines:

Fired-up salesmen from chemical and aerospace companies envisioned a major new growth industry and made bold promises. If we can get to the moon, we can help you get rid of your trash, and you'll make money at the same time! Local government officials were eager to be convinced . . . they could see "resource recovery" as a politically attractive way . . . It was the American dream in action. Optimism, faith in big scale technology, due consideration for the electorate. (White, 1983, pp. 432-435)

In a program that was developed in order to inform California school children about the problems of solid waste, one finds similar emphases. In this program the "social usefulness" of new disposal arrangements (i.e. recycling, reusing, and reducing the amount of garbage produced) were phrased in terms of the universal value of natural resources, their conservation for the future, the effects of pollution, and the expenditures on current solutions (Neidermeyer & Mineo, 1981). In all three examples, it appears, solutions to the garbage glut are placed within a symbolic combination of futurity, hopefulness, and faith in wider meanings.

The fourth example from the American context appears to underscore this conclusion in an even more persuasive manner. This example, which is more directly comparable to our case, is found in De Young's (1986) analysis of a recycling and reusing scheme that was instituted in Ann Arbor in the early 1980s. De Young chose to deal not with the external inducements for recycling—such as payment for material or increased frequency of collection (Jacobs & Bailey, 1982-1983)—but with the intrinsic motivations that continue to induce people to recycle even if the external inducements are withdrawn. What is fascinating from our point of view is how these intrinsic motivations are rooted in wider American cultural traditions.

De Young found a number of independent bases of satisfaction from recycling and reusing that were cited by his respondents: "frugality", "self-reliance", "participation", and "luxuries". For our purposes, it suffices to focus on the first and the last elements. In regard to frugality—the careful use of resources and the avoidance of waste—he notes the following:

In America, frugality and hard work have been hallmarks of our culture since our colonial days. Whereas we are regularly reminded that such simple values build character, the respondents seem to go beyond the utilitarian nature of frugality to suggest it also provides reward and fulfillment. (De Young, 1986, p. 443)

"Luxuries" refers to the pleasure gained from having access to the conveniences of a modern society. This "category would seem to reflect the satisfaction people feel from being members of the affluent and participating in the good life" (De Young, 1986, p. 444).

What is revealing about this pair of "frugality" and "luxuries" is not only that they mirror wider cultural emphasis found in America. They also reflect a basic dualism that characterizes modern American culture. As Galbraith (1962, p. 167) noted long ago, many modern Americans seem to be caught between the Puritan canons of restraint and the newer trends toward heightened consumption. Bell (1978, Foreword) sees this dualism as part of the cultural contradictions of capitalism that originated in a two-fold stress both on asceticism and on acquisitiveness. Thus, as De Young (1986, p. 447) himself notes, people may, at one and the same time, relate their satisfactions from recycling to both "frugality" and to "luxuries".

All of the American examples when contrasted to the Japanese case well highlight how similar coproductive arrangements may be accounted for or justified in terms of different cultural conceptions. Yet there still remain questions that concern the request for each family to record its name on the trash bags. These questions are related to Japanese presuppositions about the permeability of the local community and the family in the face of public authorities, and the very basis upon which joint tasks between these social units are undertaken.

### **COPRODUCTION, AUTHORITY, AND HIERARCHY**

These questions can be approached by way of the "traditional"—or what is at times deemed the "official"—Japanese view of the relations between government, local community, and household. According to this view—which has been propagated especially since Japan began to modernize over 100 years ago—these three units are arranged in a hierarchy of ever-encompassing social categories: Government encompasses community, which in turn encompasses family. Moreover, this is considered to be a harmonious hierarchy; that is, there is little conception of tension or antagonism between these three entities. As Koschmann (1978, p. 18; see also Matsumoto, 1978, p. 47) notes, this rendering is essentially the assimilation of different elements into a unitary whole. While we shall presently return to this point, suffice it to note here that in the "West"—and especially in America—government, community, and family are ideally

seen as separate cultural categories that are normally exclusive. Moreover, the relations between them are seen to be marked by a measure of potential tension or even hostility (Nisbet, 1966; Graubard, 1977).

There are two concrete characteristics of the stipulated hierarchy of social units that are of relevance to the way coproductive schemes are put into effect in Japan. First, household membership in government-linked organizations, such as neighborhood associations, is semicompulsory. This means that membership derives from these community organizations as a "natural" social fact. As Nakamura (1968, p. 191; see also Nakagawa, 1980) observes, these associations have "become normatively so much a part of local life that neither he who seeks membership nor he who is sought to join has any consciousness of compelling or of being compelled." Second, both the local community and the family — the constituent units of the hierarchy — are seen as being both permeable and responsive to the directives of government. Dore (1959) observes in relation to the prewar hierarchy that led from the Home Ministry to the household, that "the purpose of this pyramidal structure was explained . . . as being the transmission of the *will* of those above to those below, and of the *feelings* of those below to those above" (p. 104, emphasis in original).

The relevance of these characteristics for coproduction lies in the potential use that government can make of the household and the neighborhood. This is because what is striking in this hierarchy of social units is the potential for community and family to become extensions of the bureaucratic organization. This is both in terms of their penetrability and reactivity as lower-level units in a hierarchical system, as well as in their potential for being mobilized toward the achievement of government-determined goals. Indeed, since the Meiji Restoration, Japanese authorities have constantly attempted to use these cultural concepts in order to mobilize various resources from the locality and the household. Examples of this trend are the utilization of families and communities in the administration of social welfare (Nihon Fujin Dantai Rengokai, 1980, pp. 196-197; Kitani, 1981), and in crime prevention (Bayley, 1976, chap. 5).

The efforts of the Otsu city office regarding the new garbage disposal scheme thus seem to be consistent both with a more fundamental model of the relations between government, community and family, and with official endeavors to make use of this model. When seen in this light, the recording of each family's name on the garbage bags is but an affirmation of people's acceptance of their subordinate position vis-à-vis government,

and their willingness to contribute actively to the success of programs initiated by those in authority.

Yet it is interesting that it is in this regard also that the cultural assumptions that lie beneath American pleas for the implementation of coproductive schemes may be better understood. Let us take one example. Following Sharp's (1980) seminal paper, Sundeen (1985) has argued that one of the potential consequences of coproduction may be the rediscovery of the community. According to Sundeen (1985, p. 388) the coproduction model involves "ideas of mutual trust, problem solving, and shared responsibilities, all of which are intrinsic to the idea of community." When seen against the background of the Japanese case, however, one can appreciate how these assertions are rooted in what is essentially an American—or more precisely a middle-class American—set of assumptions. This is because such themes as "mutual responsibility," "greater participation," "citizens' control," (Sundeen, 1985, pp. 387-388), "cooperative involvement," or "responsiveness of service agencies" (Percy, 1984) point, I believe, to a model of joint ventures undertaken by what are *ideally* thought of as equal parties. Conjoint responsibility in the American case, then, implies assumptions about the importance of community and family as entities that are differentiated from governmental authority and that can take on the role of supervising and evaluating the actions of this authority. In Japan, by contrast, the stress is also on a form of conjoint responsibility, but one that involves social entities in ideal positions of inferiority and superiority.

In examples of coproduction, then, one finds more than mere programs that are guided by efforts at mobilizing the resources of localities and households. For in these cases the effectuation of local governmental programs of coproduction is based on largely implicit conceptions of authority, hierarchy, and the nature of social units.

## VOLUNTARISM AND SANCTIONS

There are two more points that bear upon the Japanese case that may raise interesting questions in regard to the way programs of coproduction are established. The first may be approached by way of an examination of how the compliance with the directives of the scheme bear upon the housewife-mother role. Given that in Japan this role is widely accepted

as a professional one (Vogel, 1978, p. 17), and given the notion that trash-related matters belong almost exclusively to the domain of women (p. 22), city officials seem to have expected that conformity with the new arrangements would pertain to women's self-conception. That is, city officials expected the new arrangements—involving the public presentation of the household and the kitchen—to become an aspect of mothering and of housewives' self-valuation and valuation by others. One illustration of how the new scheme was accepted by many of the city's residents were the proud words of one female member of a new housing estate:

Everyone has to cooperate, it's for the good of the city and for the good of everyone. Even though keeping the garbage in the house may create some unpleasant smells, it's something we can handle. You know, what I've begun to do is to burn every bit of garbage that I can, by myself. In this way all I have to throw out are plastics and bins. I've even organized our neighbors here, and we take turns cleaning the collection points from which the garbage collectors take the bags.

The case of Otsu is not an exception in this regard. Kawazummi (1981), for example, proudly relates how the municipality of a city in Kanagawa Prefecture encouraged the formation of a housewives group—of which she is a central member—for the promotion of recycling and the handling of household waste. Under a section entitled "Mothers as Resource Monitors" (*Shigen Monita no Okasan*), she recounts how this group of about 60 women meet regularly for instruction in refuse-related matters and cooperate with city authorities in promoting the reuse of resources.

These accounts of women and garbage disposal arrangements are related to the cultural definitions of voluntarism. Research on voluntary activity (Knoke & Prensky, 1984, p. 6) has clearly underlined the importance of normative and affective (as opposed to utilitarian) inducements for stimulating commitment on the part of people. The questions that the Japanese case at hand raises, however, involve the ways in which these inducements themselves are rooted in wider (often unexamined) assumptions about the importance of certain values and attachments. In other words, the case of Otsu should alert us to the way familial or communal recruitment by government is shaped by different cultural definitions of voluntarism and voluntary activities.

The next and final point is related to something that is often overlooked by analysts—and proponents—of the coproduction concept, and something that does not *necessarily* have to do with the cultural context



involved. Percy (1984, p. 440), for example, hypothesizes that on a community level both regular patterns of interaction and previously developed social organization may increase the likelihood of collective efforts to enhance service outcomes. Yet such assertions seem to disregard the "negative" aspects that may accompany the implementation of coproductive schemes anywhere. This may be understood by way of how the peculiar mix of voluntaristic participation and the threat of sanctions that was involved in Otsu's disposal scheme contributed to its adoption.

Put in a nutshell, the argument is as follows: In the request to record family names in the trash bags one finds an assumption—not unlike a similar supposition in relation to neighborhood security—that added to the official visibility of the surname would be a communal one. In other words, added to the potential administrative surveillance of anonymous individuals would be a community based ministration of known people. Sanctions for lack of compliance could thus be potentially applied by both public officials and by neighbors. Noncompliance, then, implies not only a potential official condemnation but also a communal one. Take the words of a head of a women's association of a small (rather traditional) city neighborhood:

The responsibility for garbage disposal belongs to each individual. But anyway in our neighborhood everyone complies with the new arrangements. You see, our women's association is noisy (*yakamashii*) and we'll make trouble for anyone who won't comply. We get something like 99 or 100 percent conformity.

When seen in this light, the Japanese case encapsulates—albeit in an extreme manner—two lessons about the problematic potentials that may characterize coproductive schemes. The first such potential is related to what Hart (1972, p. 106) has termed the "incipient totalitarianism" that is latent in any organizational arrangement involving the participation of ordinary citizens. This incipient possibility, it may be suggested, may arise out of the operation of a host of informal social measures (like the use of sanctions) when a coproduction program is introduced on a community level. These measures are—in administrative terms—not open to appeal, unaccountable, and potentially predicated on conformity rather than voluntary commitment.

The second problematic potential of coproduction schemes is related to the realization that while such programs may seem as valuable in increasing residents' abilities to control and to influence local govern-

ment, they may actually have an opposite effect. Most of the scholars writing about the coproduction will realize that such programs are often established at the initiative of organizations outside of the community. What they seem to be only weakly aware of is that these programs may be used not only to raise the quality of urban services but also to achieve these external organizations' own goals, such as establishing communication channels, securing legitimacy and support, garnering resources, or establishing power bases (Taub et al., 1977/1978, p. 44). In other words, coproduction schemes, which are often seen as means by which to overcome the almost total control bureaucratic agencies have over people's lives, may actually turn out to be devices for enhancing this very control. Coproduction, then, must be appraised not only for its contributions and possibilities, but, no less important, for its inherent costs and limits.

## CONCLUSION

The focus of this article has been on uncovering some of the cultural assumptions that lie behind and that guide the adoption of coproduction schemes in different sociocultural contexts. The prevailing view that is found in the literature — and with which the analysis began — underscores how programs of coproduction can be seen as universal sets of arrangements for the creation and delivery of certain services. According to this view, these schemes are designed as roughly similar responses to certain organizational problems that most local governments now confront. In the case at hand, this implies the response to a problem faced by all of today's advanced industrial societies: the techniques and costs of managing solid waste.

As a complement to this view, the approach emphasized here underscores the ways in which coproductive arrangements are related to a number of fundamental cultural premises and images. Indeed, this kind of understanding seems especially important in regard to matters like waste disposal that *appear* to have practical aims that are divorced from cultural assumptions. As was stressed throughout the analysis, the Otsu garbage disposal scheme cannot be understood apart from the Japanese model of social authority and hierarchy of social units.

In this sense, the analysis represents an attempt to grapple with a problem that is rarely examined in studies of organizations: the relationship between the cultural suppositions that underlie an organization's programs and the organization's larger cultural or social environment (Ouchi & Wilkins, 1985, p. 472). An awareness of this problem carries great theoretical and practical implications. Thus, for instance, if the Japanese case teaches us about the shared assumptions between the officials of local government and the wider population, the lesson for the American case may be that in that context there may be many instances of a divergence between the cultural biases of policymakers and the clients of government programs (Geilhufe, 1979, p. 577). This is no mean point, for the divergence or convergence of cultural premises between the groups that are involved in coproduction may determine the very achievements of such ventures.

For all this it is somewhat easy to overstress the relative facility by which the Otsu city office extended its orderly scheme into local communities and families. This is because what have been brought out are the views and images that were *shared* by city officials and most of Otsu's residents. In reality, some of the politically more aware citizens of Otsu mounted a series of protest efforts aimed at the concrete, as well as the more fundamental implications of the new scheme. In brief, after a long series of deliberations, the municipality decided to withdraw what became the prime focus of opposition: its original decision to request the recording of family names on the trash bags. Ironically, however, despite this decision, about 80% of the households throughout the city (according to official estimates) continued to record their names on the bags.

The success of this protest is related to the changing perceptions among a growing number of modern Japanese people of the relations between governmental authority, community, and family. These changing perceptions are being carried out by a host of groups such as consumer fronts, citizens' movements, women's associations and residents' unions. These developments raise a question—which lies beyond the scope of the present article—in regard to the kind of model of coproduction that is now developing in Japan. Along the lines of the present analysis, however, an answer to this question will involve, no doubt, having to deal with the new cultural conceptions that are now emerging in Japan.

(Reverse Side)

*Types of Combustibles*

Leftovers from meals, vegetable refuse, tea leaves, papers and cardboards, ashes, etc.

*You are requested to*

- Please squeeze out fluids thoroughly
- Please do not throw out things that can be recycled (newspapers, magazines, corrugated cardboard, cloth, etc.
- This bag is to be burned as it is, so please do not put in any plastics, glass, or metal bins.
- Please do not take out the garbage on a day on which there is no collection.

In regard to any queries about garbage, please phone the Otsu City Office's Department of Environmental Facilities, Tel. (23) 1234 (extension 329).

## NOTES

1. Data about the new scheme were gathered while I was doing fieldwork in two of the city's neighborhoods between July 1981 and August 1983. I collected the information through interviews with city officials and members of the general population, through visits to some of the city's facilities for waste management, and by gathering publicity material and statistical data.

2. Citing a study that was made in the mid-1970s Percy (1984, p. 436) notes that it provides "evidence that movement from backyard to curbside pickup substantially lowers waste collection costs by reducing the labor efforts of service worker."

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## *A BIT FURTHER TOWARD "A POSITIVE AND PRACTICAL PUBLIC MANAGEMENT"*

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**Camilla Stivers** (1989) presents a definite point of view in her critique "Organizational Citizenship—A Problematic Metaphor": "If the idea of organizational citizenship were to become common coin, it could end up doing more harm than good" (1989, p. 228). Why? "I just don't think we should call what he wants to advocate 'citizenship'" (p. 231), she concludes.

Fair enough, but several of Professor Stivers's specific concerns so miss my content and intent that I here emphasize what "A Positive and Practical Public Management" (1989) *is not*. These four points of disavowal may help others.

1. *Not a definitive review of citizenship.* The article sketches three possible models of citizenship, but neither comprehensively nor definitively. Professor Stivers devotes the bulk of her attention to one of these models, which she sees as grievously inadequate in describing Athenian citizenship as well as in interpreting several authorities.

Her argument did motivate rereading of several sources, but provokes no change in initial interpretation. Whatever the full corps of specialists may conclude, the argument does not vitally depend on the descriptive aptness of the first model of citizenship.

2. *Not a threat to popular sovereignty.* "A Positive and Practical Public Management"—henceforth usually *PPPM*, for obvious reasons—intends no challenge to the state's role as the font of the rights of citizens, as it were, which Stivers sees as a "thin enough form of life in modern day America" (p. 233). I agree with her, and try to do something about it by



proposing a version of Lincoln's famous dictum — the rights of citizenship cannot long remain vital in the political arena while narrowly constricted in today's organizations. Granted, compared to the present title, the subtitle of the earlier draft perhaps does greater service to this intent — "Vivifying a Fourth Critical Citizenship."

Clearly, this puts me in a definite minority among political scientists. Many — indeed, almost all literati among them — incline toward this bare-bones view: "Autocracy at work is the price we pay for democracy after hours." This general view of the matter is widely shared — given that some variants relate to only public sector organizations, and others extend to all organizations. Dahl (1975) illustratively concludes: "I do not see how we can stretch the meaning of 'democratic' authority to include the hierarchy of administration. *Consequently, . . . rule by the people requires not only democratic forms but also nondemocratic forms of delegated authority*" (p. 94, emphases in the original).

Stivers does not appreciate my effort to enliven and extend the sense of citizenship in organizations. Rather, she fears I am up to some analytic mischief — not a theft of popular sovereignty, but a danger to it.

A "Positive and Practical Public Management" (e.g., pp. 213-217) has precisely the opposite intent and content. It seeks to vivify an expanding sense of citizenship-in-action in organizations so as to reinforce the development of attitudes and skills that are relevant to, and often clearly lacking in, the broader political arena. Put another way, the text seeks to reduce the great and growing costs of the paradox of unqualifiedly putting organizational autocracy in the service of representative democracy. Thus the usual rationale has a formal and derivative character, with organizational life being treated — as by Dahl — as a residual category. This convenience may have been tolerable in earlier days, but it poorly suits our "organizational society" in its progressive forms and it increasingly generates unanticipated consequences that undercut the liberal state and political citizenship (e.g., Bernstein, 1980). Moreover, the usual rationale dismisses practical opportunities to reinforce organizationally the liberal political state (e.g., Greenberg, 1986).

Relatedly, the common view reflects the polarization characteristic of categorical argument. In Dahl's view, "rule by the people" in the state logically precludes all but "nondemocratic forms of delegated authority" in organizations. This derivative from direct-line or overhead democracy is tenuous enough in concept, as even its proponents recognize (e.g., Redford, 1969, pp. 70-71). In practice, a view of organizations as a

residual category can have persistent and profound consequences corrosive of any substantive sense of "rule by the people" — for example, in the tragedies experienced by whistleblowers serving the public interest (e.g., Fitzgerald, 1989; Glazer & Glazer, 1989), as well as in the everyday opportunities lost to build commitment and ownership in work through need-satisfaction at work (e.g., Golembiewski & Sun, in press).

Consistent with observer like Verba (1961), Bernstein (1980), and others to reframe this second reason for a vivified sense of citizenship in organizations, the text is suffused by two views. Our broad life-experiences powerfully influence political behavior. Moreover, a hardy representative democratic consciousness is poorly served by incongruent organizational practices. Organizations are powerful molders and reinforcers of attitudes and behaviors — arguably the most persisting and powerful. Hence the growing paradox of conceptually pairing representative democracy with organizational structures and practices that are neutral to, if not negative about, the consciousness required for representative democracy (e.g., Golembiewski, 1985).

Moreover, although matters have improved in recent years, ample evidence testifies that organizational membership often implies leaving one's rights and privileges as citizens at the door of work — in matters great and dramatic, as well as individually small but cumulatively consequential. A broad developmental conclusion seems justified. Progress has been made, but there remains a long way to go. This characterizes experience in government (e.g., Rosenblum, 1983), as well as in business (e.g., Ewing, 1977, especially pp. 99-139).

3. *No simple and sovereign prescription.* PPPM also declines two attributions. It does not simply urge "more participation" in organizations, as Professor Stivers seems to imply. Nor does the paper propose some direct leap to "fully participatory" or "democratic organizations," as Stivers not only "could envision" but also fears.

Both these attributions misrepresent the values-cum-technology underlying PPPM — a large and growing tripartite panel of learning designs (e.g., Golembiewski, 1979). Some designs relate to interaction between persons; other encompass an array of policies or procedures; and still others deal with numerous variants for structuring work. In all cases, diagnosis is critical in fitting designs to specific contexts.

Over time, applications of all three kinds of designs can substantially affect the quality of organization life, but I envision few proximate scenarios of the kind that Stivers fears. In sum, major efforts are now being

made to humanize organizations (e.g., Golembiewski, 1985), and this trend will accelerate. But we are a far distance removed from the "fully participative organizations" of which Professor Stivers is leery, whatever that comes to mean in practical terms and over the decades.

More specifically, this burgeoning panel of learning designs or interventions contributes to the increase of responsible freedom in organizations, and in multiple senses. Thus organization members typically find these variants, attractive and need-satisfying. The growing panel also can be characterized as responsible in that cost-benefit ratios tend to be attractive—productivity increases, turnover falls, costs are reduced, and so on.

Such dual efforts are not inevitable, of course, but success rates *are* very high. Specifically, success rates fall as "low" as 50% only in one of numerous surveys of applications, and that where "success" requires either a statistically significant improvement on target variables, or an intended change of 20% of greater (Nicholas, 1982). More modest but still stiff criteria generate success rates that cluster in the 70-80% range (Golembiewski, Proehl, & Sink, 1981; Golembiewski & Sun, in press).

4. *Not an ideological end-state.* Finally, "Toward A Positive and Practical Public Management" does not propose a dash to an endstate but rather some safe next steps to build skills, experience, and confidence. Professor Stivers at least undervalues the distinction and worries (1989, p. 232) that

one could envision a situation in which a public agency were internally fully participatory—say, in which all decisions were arrived at by deliberation to consensus on the part of the entire membership—but in which the decision arrived at levies extremely autocratic requirements on the citizens at large, or served purely organizational-instrumental ends rather than the public interest.

Stivers's concern needs to be placed in perspective. Such a renegade condition *could exist* in an "internally fully participatory" organization, although that condition is a very long stretch from virtually all large organizational conditions that I can visualize for the immediate future. Moreover, we *already* have plenty of renegade organizations precisely because they are vigorously closed or autocratic. Witness agencies that have gone native with a client or a small cluster of policy neighbors, or organizations that are coercive and psyche-shattering in protecting costly peccadilloes if not gross illegalities (e.g., Fitzgerald, 1989; Glazer &

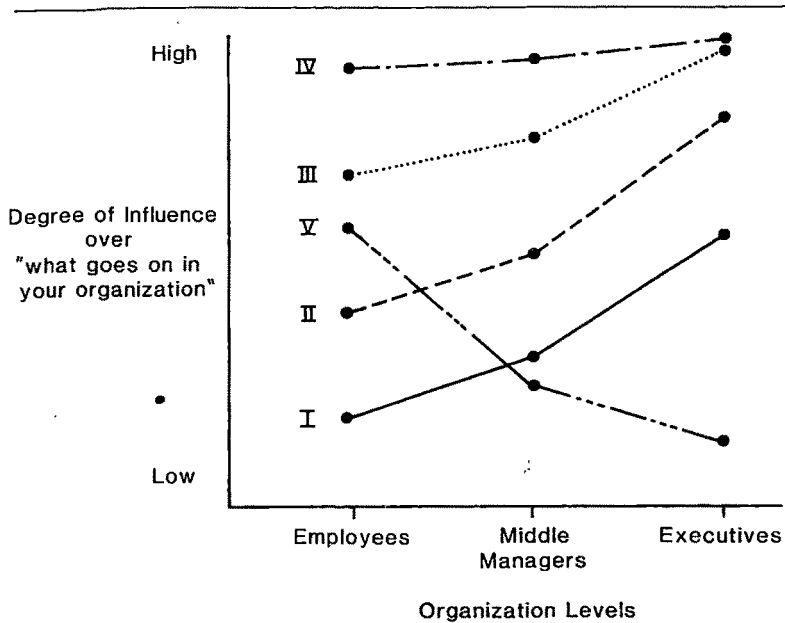


Figure 1: Five Patterns of the Distribution of Influence in Organizations  
SOURCE: Based on Tannenbaum, 1986.

Glazer, 1989). Clearly, also, even clear public or legislative intent can be frustrated by organizations experiencing a competence gap because they cannot energize sufficient commitment and involvement of their members. This I take to be the general condition, in fact, and remedying it motivates my work.

A renegade condition *could* exist under the technology-cum-values underlying PPPM, then, but that possibility implies no direct judgment about that approach to increasing responsible freedom in organizations. In fact, I see far greater dangers in what we usually have than in what PPPM recommends.

An introduction to the "control graph" (Tannenbaum, 1968, 1986) provides liberating detail about the several developmental patterns that have to be considered in any reasonable judgment about the technology-cum-values underlying PPPM. Broadly, curve I in Figure 1 describes the distribution of influence in most organizations, as attributed by members to several hierarchic levels.

Some organizations generate a curve of similar slope but of different "height," as in curve II, and these units tend to have higher satisfaction and productivity. The kinds of interaction, policies or procedures, and structures associated with curve II are included in the tripartite panel of designs underlay *PPPM*. Theoretically, the attractiveness to individuals of greater impact on one's environment explains curve II's salubrious covariants. The point gets negative counterpoint from research about the dour covariants of helplessness, powerlessness, low efficacy, and so on.

Most of the designs referred to in *PPPM* relate to curve I  $\rightarrow$  II movement. In general, such designs respect the more/more hypothesis — for example, the more openness and trust I extend to others, the more they probably will extend to me. Illustrative designs include flexible work hours, team building, and so on. Generically, in contrast, the more/less hypothesis underlies traditional approaches to structuring and managing work (Golembiewski, 1965, 1989).

Especially cumulatively, applications of *PPPM* designs can induce approximations of curve III in Figure 1. Its slope implies a redistribution of influence, in contrast to the mutual heightening of influence associated with curve II. Such cases often are temporary, as in those early experiences with team building that "fade out" over time. Or curve III may be relatively permanent, as when basic cultural change occurs. Moreover, curve III typically relates to specific issue arenas or enclaves within large organizations; but some examples may extend across several arenas, or encompass large numbers of employees. Note, however, that all these curve III variants fall short of Professor Stivers's "internally fully participative" organization.

Professor Stivers is concerned about extreme cases that would constitute (I estimate) a very small proportion of even curves IV and V. In curve IV, runaway organization personnel not only would have to invert their internal control graph, but also would have to extend that inversion externally to subvert a clear electoral, legislative, or executive mandate. That is a concern, to be sure, as in a mutiny. But no general evaluation of curve IV is possible — a normative judgment has to be made in each case. As for curve V, some see that as an ideal while others view it with dread. But it strikes me as a highly exceptional state of affairs and, in any case, it reflects multiple sources of significant influence that would minimize the chances of collusion in defiance of transorganizational interests like the common good or the public interests.

In short, Professor Stivers's concern seems neither probable nor proximate, for multiple reasons. Paramountly, closed organizations seem far more of a problem in the regard she fears—both theoretically, as well as in today's practice—than do organizations with the regenerative and open interaction systems prescribed by "A Positive and Practical Public Management." Moreover, relatively few of today's organizations consciously work beyond case II in Figure 1, and very attractive general trade-offs encourage taking the small risk. For example, growing evidence indicates the high costs of insisting on traditional managerial approaches and structures. Under traditional structures and approaches, *inter alia*, decision-making skills and attitudes seem to decrease, feelings of efficacy about making a difference seem to diminish, and self-esteem appears to suffer (e.g., Greenberg, 1986). Such effects, and numerous related others, promise little support for a representative democratic consciousness, in Bernstein's (1980) evocative language.

Notice in all this an absence of ringing pronouncements in *PPPM*—for example, "Employees having nothing to lose but their chains." This may strike some as wimpish, but it intends a disciplined determination to avoid polarities that elevate blood pressures about pie-in-the-sky issues. Next steps will be taken only when and as theory and experience support designs that can progressively extend responsible freedom in organizations. Recall that "responsible freedom" is defined as meeting individual needs in ways that meet organization demands. Operationally, high satisfaction and high or at least maintained productivity are likely to result from the expanding panel of designs underlying *PPPM*.

Right now, we can take substantial steps toward more responsible freedom in organizations as we energize a fourth citizenship. The future alone can determine how far subsequent theory and experience will permit us to go.

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